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COLUMBIA POINT

HII Corporation
 Stull Associates Inc.

Developer
 Architect
 Contractor

Barkan Construction Co. Inc.

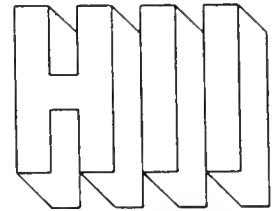
February 1983

*Columbia Point
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Introduction



Housing Innovations, Inc.

One Court Street
Boston, MA 02108
Telephone (617) 720-1716

February 22, 1983

Mr. Robert J. Ryan, Director
Boston Redevelopment Authority
One City Hall Square
Boston, MA 02201

Mr. Lewis H. Spence, Receiver/Administrator
Boston Housing Authority
52 Chauncy Street
Boston, MA 02111

Mr. Roger Taylor, President
Columbia Point Community Task Force, Inc.
320 Mt. Vernon Street
Dorchester, MA 02125

Gentlemen:

This second stage proposal for the redevelopment of Columbia Point is submitted in response to a request of the Boston Housing Authority, the Boston Redevelopment Authority and the Columbia Point Community Task Force, Inc. This submission, while responsive to the selection criteria, portrays a development strategy that goes beyond the established thresholds for creating a well defined and well operated community for the present residents of Columbia Point and for future residents. We believe that our submission distinguishes itself by providing a financial strategy which clearly supports the construction and operation of the entire development without recourse to federal or state housing assistance programs. Through a unique combination of tax exempt financing, utilization of the anticipated federal funds described in the Request for Development Proposals and the sale of moderate income condominium housing, HII Corporation can assure that Columbia Point will generate its own housing assistance subsidy funds to meet the continuing shelter needs of the present low income tenants. Complete details of this strategy for self-subsidizing Columbia Point are, of course, contained in this submission. This aspect of our plan provides substantial benefits given the reality of diminishing federal resources.

The Development Proposal

Columbia Point presents extraordinary promise. Its physical environment is striking. Its topography and dimensions are not overly problematic. For the first time since its inception as a residential community, its neighborhood shows strong signs of economic vitality. Its current residential population acts as a strong catalyst for change, and is an important resource. For all of these reasons, the time has come for the development of a mixed income community which provides decent and affordable shelter and neighborhood amenities which will both honor long-standing commitments to the present residents of Columbia Point and attract a new population of moderate and upper income residents. Contained in this submission is a development program premised on the following:

- The community will consist of 1,600 residential units.
- The mass of the existing Columbia Point development will be significantly reduced through complete or partial demolition of certain buildings.
- As appropriate to sound land use planning, the remaining buildings will be rehabilitated. Renovation will be designed to totally integrate the remaining structures with the proposed construction.
- Extensive consideration of environmental orientation, site circulation and security, recreational and commercial amenities has been incorporated.

As designated developer, we would look forward to comprehensive negotiations with all involved parties. In this submission, we have tried to do no more than demonstrate that we possess the vision, flexibility and technical capacity to achieve a responsive and responsible project design.

The Applicant and Development Team

HII Corporation has developed, owned and managed real estate nationwide since 1968. It is an active minority-owned participant in public sector programs, especially in the field of rehabilitated assisted housing. HII has developed and manages approximately 2200 units of Section 8 and Section 236 new and rehabilitated housing in Massachusetts, California and Maryland.



It is also active in two major economic development projects in New York City. It has been designated by the Battery Park City Authority as a developer for 138 units in Battery Park City, a major commercial and residential development on land-fill adjacent to the World Trade Center in Manhattan. It has also been designated by the City of New York Public Development Corporation and the New York State Urban Development Corporation as a co-developer for portions of the redevelopment of the 42nd Street corridor. Our development portfolio to date exceeds \$92 million.

For this proposal, HII brought together a development team which originally included:

- | | |
|--|-----------------------|
| ● Stull Associates | Planners & Architects |
| ● Moriece and Gary, Inc. | Landscape Architect |
| ● Sippican Consultants International | Engineer |
| ● Barkan Construction Company | Contractor |
| ● TSI Management Services, Inc. and
Niles Company, Inc. | Management Agent |
| ● Peabody and Brown | Legal Counsel |

Since the submission of our first response to the RFP, the question of the financial capacity of HII to undertake a project the size of Columbia Point in both an absolute sense and in terms of the "relative capacity to the other two development teams" has arisen. To alleviate this concern, HII will joint venture this development with Milstein Properties of New York. This entity, a real estate development company, wholly-owned and operated by the Paul and Seymour Milstein families, has been active in the development, construction and management of conventional multifamily residential housing in the City of New York for many years. It has participated in federal programs. It has experience in several projects involving residential development in excess of the scale of this project. It is also active in commercial and hotel operations. It owns the Roosevelt Hotel and the Milford Plaza Hotel. It also owns the building previously known as the Hotel Biltmore, which Milstein Properties is presently converting for use by the Bank of America as its Eastern Seaboard Headquarters. Its capacity to undertake a joint venture for the redevelopment of Columbia Point is unquestionable. Through its construction company, Timko Contracting Corp., a joint venture with Barkan Construction Company, will be established which will guarantee that assurance of completion bonds for this project will be obtainable. Milstein Properties is represented by Shelly S. Friedman



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and Andrew Berkman of the law firm of Tufo & Zuccotti in New York. Financial disclosure information commensurate with that requested for the first round proposals is submitted under separate cover. We believe that with the addition of the financial resources and experience of this organization, the absolute capacity to undertake this proposal is unquestionable.

In addition to Milstein Properties, Bear Stearns and Company and the Shawmut Corporation have been selected to act as managing underwriters for the anticipated tax exempt debt financing. The experience of these companies is included in Section VIII of this proposal.

Conclusion

We are confident that the enclosed material provides a creative, comprehensive and exciting alternative for the rededication of Columbia Point. It also plainly demonstrates to the two agencies, the Task Force and HUD that future requests for subsidy "bailouts" will not be in the offing. We are equally confident that you will find that our ability to deliver on our intentions is assured because of the substantial financial strength of the development team, the proven track records of the principals and the overall feasibility of the proposal being offered.

I would be pleased to provide you with any supplemental information you may request.

Sincerely,

HII CORPORATION

Denis A. Blackett

Denis A. Blackett
President

Enclosures



Development Program

DEVELOPMENT PROGRAM

INTRODUCTION

Currently, the Columbia Point Project is a mass of poorly planned buildings which, given their density and orientation, cannot provide a decent living environment. The task of this development program is to create a new vital community which takes advantage of the resources of the site as well as the surrounding community while respecting the economic constraints of such an undertaking. In order for this mixed income community to be a success, the development must provide well-planned, well-constructed, secure housing, as well as the services and the amenities that are necessary to attract new low, moderate and upper income residents to this revitalized community.

To this end, this proposal has been designed to be:

- Responsive to the needs and objectives of the current residents of Columbia Point.
- Responsive to the objectives of the Boston Redevelopment Authority, the Boston Housing Authority, the City of Boston and the Department of Housing and Urban Development.
- Complementary to the neighboring uses which include the Kennedy Library, the University of Massachusetts, the State Archives Building, the Bayside Exposition Center and the local grade schools.

The development which will evolve from this program will provide a healthy environment for the existing and new residents as well as one which will become an integral part of, and will complement the life of, the Columbia Point Peninsula and the surrounding Boston community. The success of this program will be dependent on the efforts of HII and its development team as well as the cooperation, efforts and resources of the Task Force, the Boston Redevelopment Authority, the City of Boston Housing Authority, HUD and other government agencies. The general plan, which is detailed in other sections of this proposal, is summarized in this section.

HOUSING

The plan envisions 1600 "residential" units to be built in new and existing three and four story low-rise structures, new and existing seven story mid-rise structures and four new thirty story high-rise towers. Each of the building types will service a different segment of the residential market.

Low-rise

The layouts and the image of the seven existing three story low-rise structures will be transformed to function and appear as townhouse units. The twelve new three and four story structures (including the units being provided along the parking garages of tower buildings "C" and "D") will be developed as a mix of townhouses and stacked duplexes. These buildings will be aggregated in sub-neighborhoods by their locations and their circulation patterns and the units will each have individual entries to the street and parking will relate directly to the entries. The units in these buildings will be rental and will be primarily for large families. These units will offer:

- 19 two-bedroom units (967 square feet)
- 115 three-bedroom units (990 to 1200 square feet)
- 65 four-bedroom units (1290 to 1620 square feet)
- 25 five-bedroom units (1450 square feet)
- 7 six-bedroom units (2195 square feet)

Of these 230 units, it is anticipated that 186 will be allocated to low income families and the balance of 44 units will be available at market rents.

Mid-rise

Of the eight mid-rise buildings, six are existing buildings. The mid-rise structures fall into three categories. First, two of the structures (buildings "7" and "10") will be linked together and converted into 70 units of elderly housing of which 66 will be 650-square-foot one-bedroom units and 4 will be 900-square-foot two-bedroom units. This building is located near the "town center" where a variety of services will be available for the elderly. Of these units, 40 will be for lower income elderly and the balance of 30 units will be leased at market rents.

Second, four of the buildings ("12", "17", "E", "F") have two- or three-bedroom family townhouse units with direct entries at ground level and one- and two-bedroom flats or duplex units at the upper floors. Each of these mid-rise buildings has been paired with one of the towers and the circulation, parking and security systems for the upper level units have been linked with the systems of their high-rise partner. The two- and three-bedroom units at the upper stories of these buildings will focus on the market for singles, couples and individuals who are doubling-up to save on housing costs. The unit mix is:

- 119 two-bedroom units (850 to 1280 square feet)
- 6 three-bedroom units (1158 to 1300 square feet)
- 32 townhouse family units at ground level (1080 to 1550 square feet)

These buildings will provide a total of 157 units of which 36 will be for lower income households and the balance of 121 will be for market rate housing.

Finally, the two remaining mid-rise buildings ("5" and "27") will be located in "family" neighborhoods and will focus on the rental market for couples with and without children. The three-bedroom units will be located at ground level with direct entry to the outside. The unit mix in these buildings is:

- 9 one-bedroom units (800 square feet)
- 59 two-bedroom units (1100 to 1280 square feet)
- 19 three-bedroom units (1300 to 1550 square feet)

Of these 87 units, it is anticipated that 20 will be for lower income families and 67 for families paying market rents. It is further anticipated that this housing will attract young professional couples, individuals who are doubling-up to save on the cost of housing, and couples whose children have left home.

High-rise

Each of the four high-rise towers will accommodate 104 one-bedroom units of 640 to 690 square feet and 160 two-bedroom units of 900 square feet. These buildings, which will be constructed on top of parking garages will focus on the market for singles, couples and individuals who are doubling-up.

These buildings will have an entry which will have a concierge on duty 24 hours per day. It is anticipated that three of the buildings will be rental and the remaining building will provide condominiums for moderate and lower income families. In the rental buildings, 711 units will be for market rate households and 81 units will be for lower income households.

In what is now conceived to be the condominium building, 37 of the units would be available for lower income families and 227 for the moderate income.

NON-HOUSING COMPONENTS

Because Columbia Point is a peninsula and because its neighbors are primarily institutions, it is important to create a total living environment which includes the necessary services and amenities necessary to attract residents to this community. These components include:

Commercial

At the "town center" which is a focal point of the development, the first two floors of the seven-story mid-rise building will include a small market, a dry cleaners, a beauty salon, a drug store and the rental office. These two levels will be a half-level below and a half-level above ground and will be handicapped accessible by ramps and/or by elevator. The area devoted to this use will be approximately 8,400 square feet.

Social Services and Management Services

The upper stories of the mid-rise building containing the retail uses will house the management offices as well as most of the social service offices, including the Columbia Point Health Center, Project Care and Concern, the University of Massachusetts Field Office, the Department of Social Services Area Office, the Neighborhood Service Center, and space for private medical offices.

Day Care Center

The existing boiler building will be retained and will, in part, be used for a day care center. This service, which is important to the current residents of this community, will also be an attraction to new working parents of this community. Therefore, it is anticipated that the Patricia M. Hassett Day Care Center, which currently accommodates 68 children, will be expanded in its new facility to accommodate approximately twice that number.

Youth Center

A monitored gathering place for youth activities will also be provided at the restored boiler building. This area will focus on "quiet" activities such as studying, reading, listening to music, watching television, special showings of movies, dances and meetings of clubs. No athletic facilities will be provided as part of the youth center.

Recreation Facilities

Throughout the site there will be outdoor recreation opportunities which, in many cases, will relate to specific sub-neighborhoods. This will include pools, tot lots, tennis courts, and paths for walking, jogging/bicycling and cross-country skiing. Indoor recreation will include raquetball and/or squash courts and a health facility including a weight room and jacuzzi in each of the high-rise buildings, as well as an unprogrammed space in many of the buildings.

Restaurant and Marina

At the northeastern corner of the site, it is anticipated that a marina and a restaurant will be developed. Both of these uses will service the needs of the new residential community, those who work or attend school at or are visitors to the institutions located on the Columbia Point Peninsula, as well as the residents of the Boston Community and its suburbs. Development of the residential portion of this proposal will move forward independently from the development of the restaurant and/or the marina as access to these uses will be from a roadway which is not tied into the road network or the residential portion of the development. Although there is a need for boat moorings or slips, the ultimate development of the marina will depend on the participation of the Army Corps of Engineers for dredging channels and providing a breakwater -- an effort which is already under investigation. The restaurant can be developed independently of the marina and will be built upon the identification of an operator. The type of restaurant should be attractive to the residential community, the institutions on the Peninsula and visitors to the Peninsula and, hence, should be moderately priced and have a relaxed atmosphere, enhancing its relationship to the water.

Social Programs

The Management Agent will be responsible for developing social programs and services which respond to the needs and desires of all elements of the community. These services might include a meals program for the elderly, a telephone answering service for the high-rise buildings, housekeeping service, grocery delivery service, operating the shuttle bus, organizing special trips, developing special activities focusing on the pool areas and marina, and so forth. The purpose of these programs will be to create a cohesive and exciting community so that the residents can take maximum advantage of the resources offered by the development as well as by its neighbors on the Peninsula and in the broader Boston community.

USE OF EXISTING BUILDINGS

If nothing else, Columbia Point in its present condition stands as the largest underutilized housing resource in the Metropolitan area. It need not remain so. The existing buildings are solidly built and can be reused to offer affordable buildings with costs significantly lower than those associated with new construction. Cost containment can also be realized through reuse of some of the buildings' foundations for substantially new buildings. Due to its sub-soil conditions caused by the quality of the land fill (the old Boston Dump), new foundations will require either friction piles or point piles. On the other hand, Columbia Point in its current configuration, requires significant alterations to achieve a density and access to air and light which is consistent with the concept of a liveable community. As a result, the development team has carefully reviewed the existing structures and weighed the comparable costs of keeping existing buildings versus building new structures. Needless to say, the objective has been to retain as many buildings as possible within a framework which will be functional and attractive to both the existing residents and to the individuals and families who will move to the development.

Our conclusion, as shown in the architectural plans, calls for the retention of 13 buildings. Moreover, the buildings which will be retained will be altered significantly to achieve a change in their image. For instance, the low-rise buildings will take on a look of townhouses, and in each of the low-rise and mid-rise buildings, certain portions of the buildings have been removed. This effort is necessary to make the buildings function more efficiently and to alter their public housing image.

SECURITY

Because of its image and the realities of the marketplace, security is a key component to the success of this development. In order to achieve this objective:

- There will be one primary street entrance through which all visitors must pass and which may also be used by residents. This entry will be manned by a guard 24 hours a day. To gain entry, visitors must be announced to the household being visited and approved for entry by that household.
- Two additional gate-controlled entrance/exit points will be available to residents only.
- There will be a separation between the site and Mt. Vernon Street created by the combination of a low stone wall, a wrought iron fence and planting. This separation, while creating a sense of security, will also allow for a view of the site and the water from Mt. Vernon Street. Buffers will also be created along the other boundaries of the site through landscaping and fencing.
- Pedestrian access will be available through the primary entry controlled by a guard or directly to the towers located at Mt. Vernon Street. These towers and the two other towers will be controlled by a concierge who will be on duty 24 hours each day.
- There will also be a program of security patrols and the presence of uniformed management staff on the site will also contribute to the security of the development.

TRANSPORTATION SYSTEMS

Within the site, a transportation system has been designed which reinforces the neighborhood centers and the pedestrian walkways. Parking for the towers and their related mid-rise buildings has been accomplished in structures at the base of the towers. The other buildings have ground-level outside parking which relates directly to their entries.

The transportation system will not only focus on private automobiles but on the public transportation systems as well. To this end, a shuttle bus system will operate regularly between the site and the University of Massachusetts/J.F. Kennedy "T" stop. In addition, during peak rush hour periods, the shuttle will run from the site directly to downtown. In order to maximize the transportation options for everyone on the Columbia Point Peninsula, it is our hope that this proposed shuttle bus system and the system currently offered by the University of Massachusetts can be integrated to provide economic and convenient access to the public transportation systems, marina, restaurant, institutions and residential development.

In addition, in conjunction with the marina, a shuttle boat service will be offered from the site to downtown Boston. This service will not only be available to residents of Columbia Point, but also to the users of the institutions located on the Peninsula and easy access will be provided through a linkage with the shuttle bus system.

RELATIONSHIP BETWEEN COLUMBIA POINT COMMUNITY TASK FORCE, INC.

AND

HII CORPORATION

HII Corporation and the other members of its development team look forward to working with the Columbia Point Community Task Force, Inc. for the conversion of the Columbia Point project into a new and revitalized mixed income community. Even though the overall objective of successfully creating this new community is shared by each of the parties, it is our belief that the relationship between the Task Force and HII must be evidenced by a formal agreement so that the Task Force can be assured that those matters of concern to it will be resolved in accordance with its prior understandings. The general parameters of this agreement should include the following:

Development

During the development and construction periods, HII and the other team members will meet with the Task Force on at least a bi-weekly basis (or more frequently as the parties may agree). The purpose of these meetings will be to not only update the Task Force but, more importantly, to receive input with respect to its concerns. These issues will include the review of site plans, unit designs (including amenities), the design and location of activity centers for the development, relocation, project staging, affirmative action, and the progress of construction among the many, many other issues which will arise during the development and construction process. This relationship will be open and, as a result, the Task Force will be invited to those project-related meetings in which it has expressed an interest.

Management and Marketing

The management and marketing of the property will be the primary responsibility of the Joint Venture between TSI Management Services, Inc. and the Niles Company. The Management Agent will be responsible for operating the existing buildings prior to rehabilitation, relocating the current residents in buildings as they are completed and managing and marketing the completed properties. To this end, the Management Agent has prepared a Management Plan, a marketing plan and a Relocation Plan which are included in Section VI. The Management Agent and HII will review with the Task Force each procedure and/or agreement relevant to the management of the development -- including such items as the Management Agreement and leases. Changes will be made to those documents, agreements and procedures as the parties mutually agree.

Affirmative Action Objectives

As part of Section VII, an Affirmative Action Program has been proposed with respect to the occupancy of the buildings as well as the training and employment of the low income residents. With respect to the employment programs and the Affirmative Action Occupancy Program, HII Corporation will review these plans with representatives of the Task Force and will revise these plans in accordance with mutually-agreed-upon changes.

The proposed relationship between the Task Force and HII will provide the Task Force with a vehicle which will assure that:

- Existing residents will ultimately benefit from quality housing, amenities and services consistent with the overall development program.
- There will be a structure for resolving problems that arise during the development and construction process and for focusing on new issues.

To the extent that the Task Force and HII cannot resolve an issue, then the issue will be referred to the Boston Redevelopment Authority and the Boston Housing Authority for final determination.

Moreover, in order for the Task Force to successfully represent its interests, HII Corporation will provide it with the necessary funds enabling it to:

- Employ a staff person to coordinate the efforts of the Task Force.
- Retain legal counsel to represent it in the review and negotiation of agreements which relate to issues between the Task Force and HII Corporation.
- Retain an architect to review the design concept of the development program.

As part of the Agreement, a budget will be established for these and other items to which the parties mutually agree.

AFFIRMATIVE ACTION OBJECTIVES

Specific Affirmative Action Programs are included in Section VII and in the Marketing Plan in Section VI of this proposal. In general, however, HII Corporation will attempt to attain the objectives established in the Request for Proposals which are:

Employment

During the construction period, the contractor will try to attain a goal of 30% of construction hours for minority employees, 50% of construction hours for Boston residents, and 10% of construction hours for females -- all with special emphasis on the employment of Columbia Point residents. In addition, 30% of the value of the work will be established as an objective for minority sub-contractors and supplies of which 20% would be for sub-contractors. Finally, in addition to this construction effort, specific plans for various members of the development team have been included in Section VII, which outline their objectives of providing employment opportunities for Columbia Point residents.

Marketing/Integration

Section VI of this proposal includes a management program which identifies the marketing efforts which will be undertaken to achieve a 30% minority mix within the moderate income and market rate units. HII Corporation, because of its relationship with the minority community, believes that it can be successful with respect to this effort. In addition, with respect to the current low-income residents, who are primarily minorities, it is our intent to integrate these families throughout the development. This objective can be accomplished within the scope of the proposed plan which has adequate housing resources within each of the market segments. For instance, the number of family units is 349 while the number of low income families who will occupy these units will be 272; the number of elderly units will be 70 of which 40 will be for low income elderly households; and the number of units for small families (i.e., in non-family sub-neighborhoods) will be 1,181 of which 138 of these one and two-bedroom units will be available for low income households, and 227 for moderate income households. In sum, this plan will allow for a fully integrated community -- both racially and economically.

FINANCING

The objective of this proposal is to design a plan for the creation of a new and exciting residential community on the Comumbia Point Peninsula which will serve the needs of the existing residents as well as new low, moderate and upper income families. In order to achieve this objective, each of the elements which have been described in this section must be integrated through the cooperative efforts of each of the interested parties in a cohesive and functional package. However, these elements, no matter how well they work together, cannot result in a successful development unless there is a viable financial plan and unless the developer and the other members of the development team have the capacity to undertake and complete this development.

The inclusion of Milstein Properties as a participant with HII Corporation as the developer, as well as a participant with Barkan Construction as the contractor, assures -- given the track record and the resources of this company -- that this plan can be expeditiously carried out as soon as the various elements in the financing program (described in detail in Section IV of this proposal) are in hand.

The basic elements of this program include the use of only those resources which one can reasonably anticipate will be available for this development. These resources include:

- An Urban Development Action Grant in the amount of 20.5 million dollars, of which 16 million dollars will be made specifically available for the housing component of this development. The balance of 4.5 million dollars would be available for such public improvements as "the landscaping of Mt. Vernon Street, circulation improvements within the Phase II housing parcel, and upgraded vehicular and pedestrian access to the waterfront and to the Bayside/retail area."
- Urban Initiative Funds in the amount of 10 million dollars which will be used to defray certain costs of this development (i.e., demolition, site preparation and similar costs).
- Tax exempt financing for both the rental and condominium units.
- City of Boston Community Development Block Grant Funds totaling \$500,000 for public improvements.

By taking advantage of these resources, it is our conclusion that a financial program is available which, in conjunction with a sinking fund, will allow for the development of 400 units of low-income housing, 223 units of moderate income condominium housing and 973 units of market rate housing. In addition, all of the other elements of this plan will be undertaken as part of this financing program, with the exception of the development of the Marina, which will require the participation of the Army Corps of Engineers, as well as the restaurant, which will require the identification of an operator. However, it is our belief that once this development gets off the ground, additional resources will be made available and sufficient interest will be generated to support these two program elements.

DEVELOPMENT PROGRAM RESPONSIBILITIES

HII Corporation, in conjunction with Milstein Properties and the other members of the development team, will be responsible for successfully completing the development program. In addition, the cooperation and participation of the Boston Redevelopment Authority, the Boston Housing Authority and the Task Force in reviewing, modifying, and refining this program will be absolutely essential in assuring that the best possible plan results. In addition, special assistance will be required from:

The Boston Housing Authority, which will have primary responsibility for:

- securing the Urban Initiative Funds in a format which will allow these funds to be used for this development;
- providing the financing (with the exception of the moderate income home ownership units) by acting as the issuer for the tax exempt financial obligations unless another issuer is selected.

The Boston Redevelopment Authority, which will be responsible for:

- securing the UDAG funds for this development and for undertaking the public improvements related to this development;
- securing the debt service payments from the repayment of the UDAG I loan by Bayside Associates and making these funds available for the proposed residential development;
- approving this development as a 121(A) Urban Redevelopment Corporation;
- resolving the public highway and street network systems for the Peninsula and its relationship with the City street and highway systems (including the relationship with the Southeast Expressway) in conjunction with the City of Boston and the State Department of Transportation.

The City of Boston, which will be responsible for:

- issuing building permits;
- the sale of the City-owned portion of the site which will require their securing the necessary

consents from the State Legislature and the Secretary of the Interior;

- providing \$500,000 of already programmed community development block grant funds for public improvements.

The Department of Housing and Urban Development which must:

- approve the sale and restructure the debt of the Columbia Point Project;
- provide 20.5 million dollars of Urban Development Action Grant Funds;
- provide 10 million dollars of Urban Initiative Funds;
- provide mortgage insurance for the new development.

The Army Corps of Engineers who will be requested:

- to dredge and build the breakwater which will be required for the development of the marina.

The Massachusetts Housing Finance Agency which will be requested:

- to provide financing for the low and moderate income condominium units.

Staging

STAGING OF DEVELOPMENT

CRITERIA

The criteria established as the basis for the staging of construction and development of the site include:

- maximize the safety of present residents and provide them continuous easy access to their units from Mt. Vernon Street
- no resident should be required to relocate off site
- the number of double relocations of residents on-site should be held to a minimum
- double relocations should only include a first move to a unit either fully rehabilitated or new
- minimize disruption of existing steam, water and drain systems

STAGING GUIDELINES

The objective criteria stated above lead naturally to the following guidelines for the plan:

- isolate construction areas from inhabited areas and provide separate vehicular routes
- build new structures in open areas first
- rehabilitate or replace uninhabited buildings before those inhabited
- rehabilitate or demolish buildings most distant from the steam plant before those closer to it
- work on clusters of buildings all of which will ultimately be served by the same parking and access routes

THE STAGING PLAN

Three stages of construction are envisaged which are isolated geographically, but which will overlap in time due to the thirty four month overall construction deadline. The stages are shown in two Exhibits included in this section. (Please also see the Exhibit "Construction Sequence" in this section.) The stages are briefly as follows:

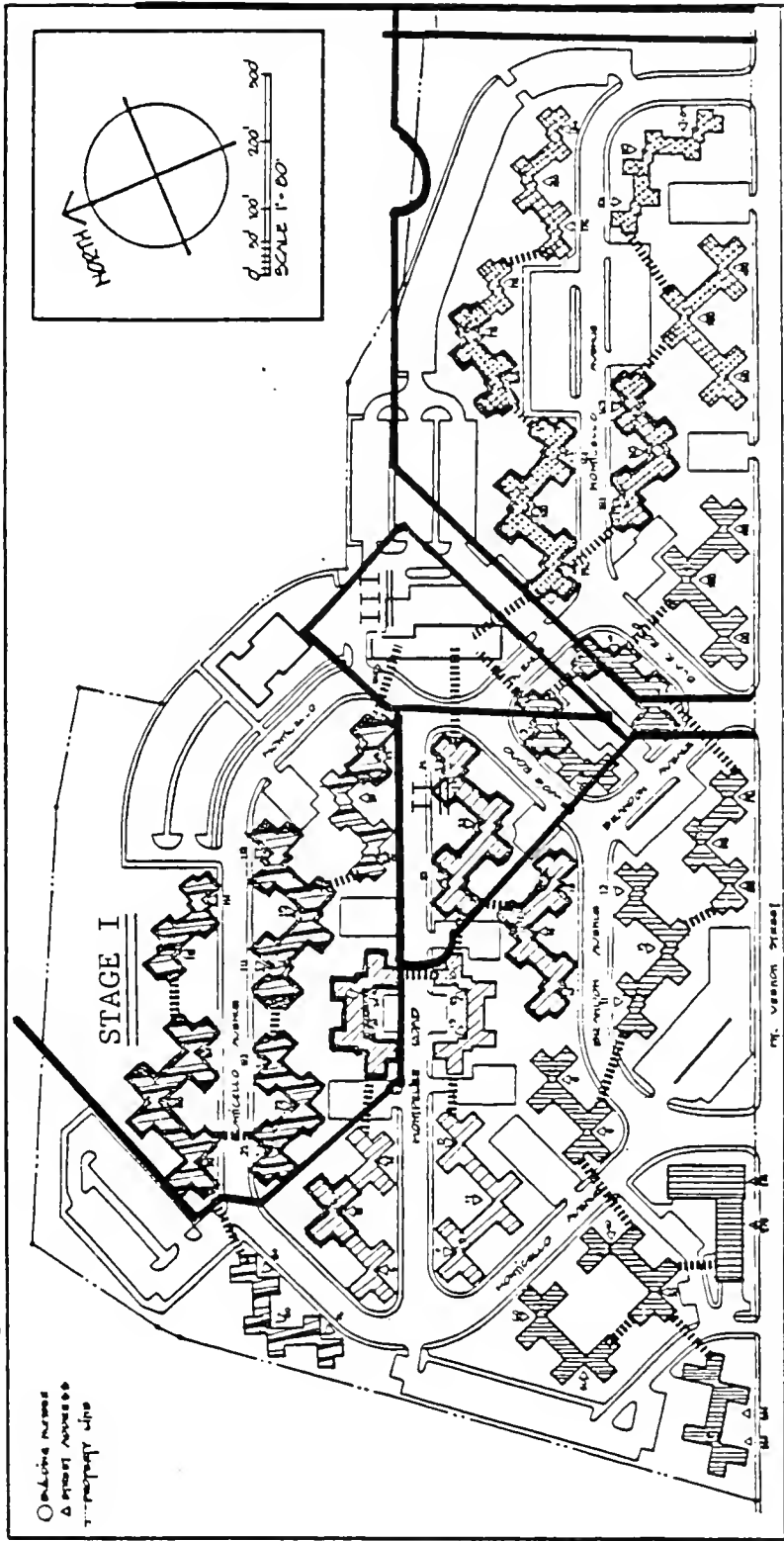
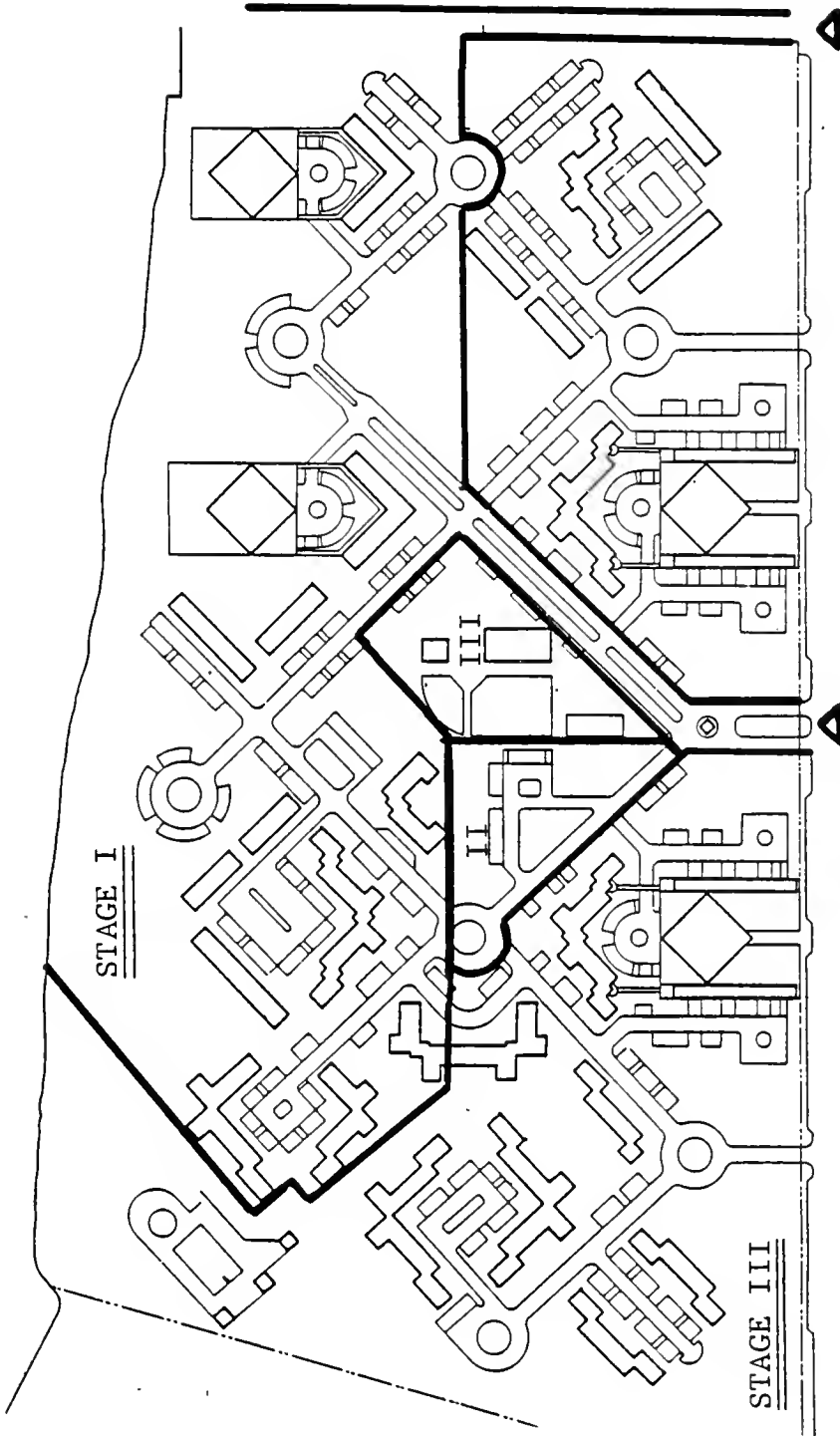


EXHIBIT - CONSTRUCTION STAGING (EXISTING CONDITIONS)



CONSTRUCTION
ENTRY-STAGE I

NEW PUBLIC ENTRY

EXHIBIT - CONSTRUCTION STAGING (FINAL CONDITIONS)

EXHIBIT - Construction Sequence

Construction Sequence Phase Building	Type and Size of Apartments										Monthly Schedule	
	1BR	2DUP	2FLAT	2TWNHSE	2ELD	3BR	4BR	5BR	6BR	Start	Finish	
II R 27	9	12	9	1	(4)+	7				11	21	
R 12		24	12	1		12				16	26	
R 17		21	12	1		10				16	30	
N H						14		4		15	21	
N I						10		3		15	21	
N J						10		3		15	21	
N N C-Tower	104		160							14	30	
N M						4		4		18	28	
N N						4		4		18	28	
IIID 13						(66)Flats				19	20	
D 22	(vacant)									19	20	
D 19						(12+)Flats		(12+)Flats		19	20	
D 25*			(22)							21	22	
D Admin Bldg										25	26	
R 9			6			6	(36)6		2	20	28	
R 10				2		(20)				20	28	
R 14						(24)Flats	8	2		19	29	
R 15						(24)Flats	8	2		19	29	
R 16						(12+)Flats	7	(12+)Flats	2	19	29	
R Boiler Plant										23	28	
R 6			6			6	6	2		20	28	
N D-Tower	104		160			8				20	34	
N O						8				22	32	
N P						8				22	32	

*Temporary Heat System Provided

EXHIBIT - Construction Sequence

Construction Sequence		Type and Size of Apartments										Monthly Schedule	
Phase	Building	IBR	1ELD	2DUP	2FLAT	2TWNHSE	2ELD	3BR	4BR	5BR	6BR	Start	Finish
I	D	3										0	1
	D	Gym										0	1
	D	21										0	1
	N	A-Tower	104									0	1
	N	G		160								0	1
	N	E										0	1
	N	K	20		4		18	2				0	18
	N	L					8					0	12
	N	B-Tower	104				10					6	16
	N	F		160			12					1	11
	R	2		20		4	8					1	11
	R	23										4	22
	R	5										20	19
	R	8										0	10
	R	7		24	1		5	6		1		0	10
			(vacant)				6	6				0	10
			33				12	6				0	10
II	D	1										0	10
	D	4										0	10
	D	24										0	10
	D	20										0	10
	D	26										0	10
	D	11										0	10
	D	18										0	10
			(6)+						(36)*			13	14
			(vacant)									13	14
			(offices to be relocated)									13	14
			(vacant)									11	12
			(7)+									13	14
			(vacant)									13	14
			(25)									13	14

*Brackets () indicate occupied units vacated
D=Demolition only
N=New construction
R=Rehabilitation
ELD=Elderly
DUP=Duplex

STAGE I

The waterfront side of the site (including the City of Boston park proposed for inclusion) is largely open land or unoccupied buildings. Thus, we would begin construction in this area. Stage I would involve demolition of three buildings, the rehabilitation of five buildings and the construction of seven buildings, including two new towers.

DEMOLITION

Buildings to be demolished in this stage are:

- #3
- #21
- the gym

All are presently unused.

REHABILITATION

Buildings to be rehabilitated are:

- #2
- #5
- #7
- #8
- #23

These also are presently unused.

NEW CONSTRUCTION

The heaviest concentration of new construction would occur in this stage. The new buildings will include:

- tower A with its adjacent low-rise townhouse buildings G and E;
- tower B with townhouse building F; and;
- townhouse buildings K and L

Please see the large scale Demolition Plan and the New Construction Plans elsewhere in this proposal for greater detail.

These buildings are variously scheduled for completion between 10 and 22 months.

This stage entails the construction of a temporary entry at the southeast corner of the site for construction vehicles.

The only direct impact expected to be caused by Stage I construction on the residents is the disconnection of the steam heat from building #25. A temporary heating plant will need to be installed adjacent to that building which will need to be operated independently for approximately 21 months. No significant impact is expected on traffic patterns within the site. For details of recreational facilities, street improvements and the like in this stage, please see the Construction Plans and descriptions. Please note that a major element of this stage is the creation of a new boulevard entry to Stage I, and eventually the entire site, from Mt. Vernon Street.

STAGE II

The south corner of the site fronting on Mt. Vernon Street would start construction about 11 months after the start of Stage I, together with part of the town square.

DEMOLITION

Seven buildings would be demolished in this stage:

- #1 (vacant)
- #11 (vacant)
- #24 (vacant)
- #4 (partially occupied)
- #18 (partially occupied)
- #20 (partially occupied)
- #26 (partially occupied)

NEW CONSTRUCTION

- tower C with its associated low-rise buildings M and N
- low-rise (townhouse) buildings H, I and J

RELOCATION OF RESIDENTS

The start of demolition or rehabilitation of buildings #4, #18, #20 #26 and #27 will require relocation of their residents and office users. (See Exhibit "Construction Sequence".) At the start of Stage II, approximately 134 units will have been completed in Stage I. With the demolition (or the start of rehabilitation) of buildings #4, #18, #20 and #27, a total of approximately 74 residents will be displaced. All of these can be relocated into newly finished units, 58 of them permanently and 16 temporarily. The office users in building #26 can all be relocated at this time into rebuilt #8. No further relocations should be necessary during the completion of Stage II.

STAGE III

This stage consists of the balance of the site, essentially the entire western corner, plus the balance of the town square.

DEMOLITION

- #22 (vacant)
- the administration building
- #13 (presently occupied)
- #19 (presently occupied)
- #25 (presently occupied)

REHABILITATION

- #6 (vacant)
- boiler plant
- #9 (occupied)
- #10 (occupied)
- #14 (occupied)

- #15 (occupied)
- #16 (occupied)

NEW CONSTRUCTION

- tower D with its associated low-rise buildings O and P

Construction on this stage would commence about month 19 and continue to the end of the project in month 34.

RELOCATION OF RESIDENTS

The heaviest concentration of presently inhabited units is in this stage. As has been stated previously, they will be left until last to facilitate on-site relocation of residents to units completed in earlier stages or at least to minimize the duration of temporary relocations.

A preliminary analysis indicates, however, a potential deficit of as many as 84 three to five bedroom units at the start of this stage in month 19. To reduce or eliminate this problem, the following actions will be taken:

COMPUTER ANALYSIS OF SCHEDULING

Before the start of construction, a detailed "CPM" analysis of both construction and relocation will be completed. Combining both, in a single computer analysis, will permit the reduction to an absolute minimum of the number of temporary relocations necessary. This can be accomplished by expediting the construction of those units and buildings which the analysis identifies as critical.

TEMPORARY COMBINATION OF UNITS

Our preliminary analysis indicates that a surplus of 250 two bedroom units and 98 one bedroom units, approximately, will be available at the start of this stage. Through interconnection, many of these units could be combined into three to five or even six bedroom apartments. A reasonable number of such temporary multi-bedroom units will be provided for in the construction schedule. These units would be occupied temporarily by tenants carefully selected by our property managers as appropriate, considering their family size, age and other factors as well as those of other residents in these buildings.

We expect that these analysis, careful planning and proper implementation can resolve substantially all relocation needs without violating our staging criteria and guidelines previously stated.

Early in this stage the main entry and Town Center area would reach its final form. The quite formal entry gate at Mt. Vernon would be installed. The unsightly heating plant would be changed into its final configuration and its conspicuously ugly smoke stack would, finally, be dismantled. By the end of this stage all of the long term residents would be in their new homes and the last remnants of the old Columbia Point Project will have been transformed.

Cost Analysis and Financial Program

FINANCING

HII Corporation and Milstein Properties intend to finance the redevelopment of Columbia Point through a variety of resources which are discussed below. However, we do not anticipate syndicating the project. Instead, we will retain the equity of the project, look to its cash flow as a major component of our return and use our available financial resources to cover any project requirements.

Under current market conditions, this mix of resources provides the optimum financing plan while meeting our other goals of affordability for lower income families and the provision of a moderate income home ownership program. Moreover, we will utilize other financial resources and mechanisms should they arise and prove beneficial to the feasibility of this project.

The financial resources include:

Urban Development Action Grant

The City of Boston has requested that the Department of Housing and Urban Development provide it with an Urban Development Action Grant in the amount of \$20.5 million to benefit this residential project; \$16 million has been specifically allocated for the development of the housing program with the balance available for improvements to Mt. Vernon Street, access to the waterfront and circulation improvements within this site. Of this \$4.5 million, a total of \$2.0 million has been specifically earmarked for construction costs which are included in the residential development pro formas in this section. Thus, a total of \$18 million will be made directly available to benefit this project from UDAG funds.

Urban Initiative Funds

The Boston Housing Authority has received an allocation of approximately \$10 million of Urban Initiative Funds from the Department of Housing and Urban Development. Although there are restrictions on how these funds can be used, this proposal presumes that HUD will grant the necessary waivers so that these funds can benefit the project. These funds will be primarily used for demolition and site preparation.

Community Development Block Grant Funds of the City of Boston

The City of Boston has previously programmed \$500,000 of Community Development Block Grant Funds for this development and they should be used by the City in a concerted effort to beautify Mt. Vernon Street and the public schools which are across from the site.

Urban Development Action Grant for Bayside Associates

Pursuant to the Agreement with Bayside Associates, the Urban Development Action Grant of \$1.4 million which was made available for the development of the Bayside Exposition Center will be repaid by Bayside Associates at the rate of \$13,381 per month plus 25 percent of the cash flow. These funds are to be available pursuant to the Agreements, for the benefit of the proposed residential development. This program assumes the availability of these funds.

Tax Exempt Financing -- Rental Housing & Non-Residential Development

Tax exempt bonds will be utilized to finance the residential rental housing and ancillary commercial space. As currently planned, this component will be financed under one underlying mortgage and will conform to all applicable requirements regulating the use of tax exempt mortgage revenue bonds. We will work with the appropriate issuer to secure the tax exempt financing, whether it be the Boston Housing Authority or other entities which have the appropriate enabling legislation. This financing, in order to achieve the lowest possible rate, will be insured by FHA pursuant to its Section 221(d)(4) Program.

Tax Exempt Financing -- Condominium Units

Permanent financing for the condominium units will be provided through the use of single family mortgage revenue bonds. It is assumed that the Massachusetts Housing Finance Agency will issue these bonds pursuant to its Home Ownership Program for financing moderate income home ownership developments.

It is our intention to structure the Urban Development Action Grant and to restructure the outstanding Boston Housing Authority debt as loans to the project which would be serviced from residual cash flow and/or from a sale. The structuring of this debt must be consistent with the feasibility of the development program while also providing reasonable assurances of repayment. Like the Urban Development Action Grant for Bayside Associates, any repayment should first be available to assure the continuous availability of low income housing for this development.

The use of these financial resources and the results should be focused on in terms of each of the elements which include residential (rental and for-sale), commercial and community areas, and the marina and restaurant. A summary of each element, as well as the pro forma development and operating statements and underlying assumptions are found below:

Rental Housing

The total anticipated development costs for the rental housing program is \$109,556,000 whereas the proposed mortgage is \$83,166,000 -- leaving a gap of \$26,390,000. In addition, assuming a nine percent interest rate and a 40-year term, this portion of the development will result in a deficiency cash flow of \$121,583 without allowing for any debt service coverage or return to the developer.

Non-Residential Development

The anticipated development cost is \$3,638,000 and the projected mortgage is \$2,834,000 -- leaving a gap of \$804,000. Moreover, a cash flow deficiency of \$156,528 is also anticipated -- again, no allowance has been made for debt service coverage or a return to the developer.

For Sales Condominium Housing

In this instance, the net profit before taxes from the sale of the units is anticipated to be \$6,235,344. Included within the gross sales proceeds of \$24,518,234 is \$3,525,547 of UDAG funds which represents the purchase price of 37 two-bedroom units to be leased by the Owner to lower income households. These lower income families now pay only \$130 per month, on average, assuming that 30 percent of their income is allocated to the cost of housing. After deducting a \$30 utility allowance for electricity, the net available rental contribution is reduced to \$100 per month. Finally, after adjusting for inflation, the annual contribution that these 37 "average" residents will provide will be \$54,392 in 1987 when this building is complete. However, because the average cost will be \$4,397 per unit, or a total of \$162,689, there will be an anticipated cash flow operating deficiency of \$108,297.

A summary of these pro formas is as follows:

	<u>Development Proceeds</u> <u>(Cash Requirements)</u>	<u>Cash Flow</u>
Rental Housing	(\$26,390,000)	(\$121,583)
Non-Residential	(804,000)	(156,528)
For Sale Condominiums	<u> -- </u>	<u>(108,297)</u>
Total	(\$27,194,000)	(\$386,408)

However, these operating pro formas are overly optimistic with respect to the financing as HUD requires that only 90 percent of the available net income be capitalized when determining the size of the mortgage which it will insure. Enclosed in this section is a draft mortgage application which combines the rental and non-residential components as they will be financed under one mortgage. As can be seen, the mortgage shortfall stays the same -- \$27,194,000 (i.e., the estimated cash required of \$38,319,000 less the builder's and sponsor's profit and risk allowance -- a paper developer's fee -- of \$11,125,000). However, in order to generate sufficient income to support the \$86,000,000 mortgage, net income of \$9,326,222 is required (assuming a nine percent interest rate and a 40-year term). However, the amount available for debt service as is shown in the pro formas is:

Rental Housing	\$7,995,419
Non-Residential	<u>120,070</u>
Total	\$8,115,489
Less Required Net Income	<u>9,326,222</u>
Net Income Deficiency	\$1,210,733

The only available income resource which has not been used is the funds from the repayment of the Bayside Associates' mortgage on the Exposition Center which totals \$160,572 per year (\$13,381 per month) and would thus reduce the deficiency to \$1,050,161 per year (\$87,513 per month) for the rental portion of the development. These amounts are included in the "Estimate of Income" section of the HUD Mortgage Application. However, on the other hand, the deficiency must be increased by the \$108,297 shortfall for the lower income tenants in the condominium building -- resulting in a gross shortfall of \$1,158,458 in 1987 dollars.

This shortfall, which averages \$241 per lower income unit per month, can be accommodated without Section 8 subsidy by establishing an Initial Operating Deficit Fund. For purposes of determining the size of the fund, it has been assumed that five percent (well below the national or regional average), or 20 of the existing tenants, will leave the development on an annual basis and that the new tenant who occupies the vacated unit will be able to at least cover their pro rata share of the operating costs (exclusive of debt service) of the project. This objective can be achieved in a number of ways:

1. The BHA can select from its waiting list, tenants who are able to pay their share of the operating costs. Such a tenant would still be eligible within the BHA income limits and would not be required to pay more than 30 percent of their income for housing.
2. A special escrow should be funded from the 25 percent share of the cash flow available from Bayside Associates. To the extent that the Housing Authority selects residents who are not able to pay their total share of the operating costs, then this escrow could be used to supplement their payment.
3. A special escrow, similar in purpose to the Bayside Associates' escrow, should be established for the accumulation of funds from the repayment of the Urban Development Action Grant loan which is contemplated for this development as well as for the repayment of the outstanding BHA indebtedness. These repayments will come from a portion of the residual cash flow or from a portion of the proceeds from a sale.
4. If available, the Boston Housing Authority could provide rental subsidies for tenants unable to cover their full share of operating costs.
5. As an important part of the overall program, employment opportunities for lower income Columbia Point residents

will be provided. As residents take advantage of these employment opportunities, their incomes will increase and, as a result, the amount which they pay for rent will commensurately increase. With the success of this program, the operating cost shortfall of the lower income tenants will be substantially reduced.

6. If the Housing Authority cannot provide a tenant who is able to cover their operating costs from their own resources or the other resources noted above, then HII and Milstein Properties, through the Management Agent, will identify a tenant who can pay his share of the operating costs while still meeting the lower income eligibility standards

This approach offers a number of alternatives for housing lower income families without dependence on Section 8 or other rental subsidies. Moreover, the programs for employing Columbia Point residents will decrease the absolute amount of the shortfall and the availability of escrows created by the repayment of loans will provide funds to help cover any gap in new residents' ability to pay their full pro rata share of operational expenses. As a result, new lower income tenants will be able to be drawn from a broader income range. However, assuming the most pessimistic scenario in which tenants' income and operating costs increase at a rate of seven percent per year and the turnover rate is five percent amongst the existing tenants, the size of the required escrow would be \$11,477,123 and would be secured by a Letter of Credit. If the security is cash, the escrow would be reduced to \$4,282,586 -- assuming a 10 percent discount rate.

As previously noted, the public funds which are available for the cash requirements of this program include:

UDAG Funds (exclusive of amounts used for purchase of lower income rental units)	\$14,474,453
Urban Initiative Funds	<u>10,000,000</u>
Total	\$24,474,453

As previously noted, the cash requirements for this development are anticipated to be \$27,194,000 and the requirements to secure the Initial Operating Deficit Fund is \$4,282,586 (if cash) -- resulting in an overall cash need of \$31,476,588 -- which will be covered from the above noted UDAG and Urban Initiative Funds and from the resources of the development team. In addition, there will be other substantial cash requirements including working capital deposits which will be determined by HUD and which will be funded by the developer.

This endeavor will require substantial equity requirements both because of the magnitude of the program, which should not be substantially phased down or staged over a long time period to reduce the absolute and/or the timing impact of these requirements as it is our opinion that such a strategy would be counterproductive to the success of this mixed income project and would result in its failure in the marketplace. Rather, it is our conclusion that this program must be undertaken aggressively so that the image of the Columbia Point "project" can be erased and so that the new Columbia Point can unfold and be the vital new dynamic neighborhood that we all envision.



RENTAL HOUSING

The rental housing represents the bulk of the project. Although the individual buildings will be grouped together as part of three general stages, there will be substantial overlap and fluidity within each of the stages. Moreover, once this project is initiated, it presumes that the total development will move ahead to completion which is critical to the overall development program. Although from a planning point of view one could successfully eliminate or reduce the scope of the project, such action would be detrimental to the goal of creating a mixed income community given the requirement to house the 400 low income families and the intention of offering 237 moderate income condominium units. We strongly believe there is a certain critical mass of high quality market rate units that needs to be achieved in order to change the perception of the development from one of a low income project to one of a healthy vibrant mixed income community.

The enclosed pro formas assume a construction period of 36 months. The construction loan interest is, however, only run for a period of 28 months as it is anticipated that the Urban Development Action Grant Funds and the Urban Initiative Funds will be drawn down before any mortgage proceeds are drawn. It is anticipated that these funds will not be exhausted until after the eighth month of the construction period.

DEVELOPMENT PRO FORMA FOR RENTAL UNITS
 (Estimates in 1987 Dollars
 Using 7% Inflation Factor from 1983)

Number of Residential Units			<u>1,336</u>
Mix of Units	1 Bedroom	<u>387</u>	
	2 Bedroom	<u>680</u>	
	3 Bedroom	<u>172</u>	
	4 Bedroom	<u>65</u>	
	5 Bedroom	<u>25</u>	
	6 Bedroom	<u>7</u>	
	Other		
Average Unit Square Footage			<u>1,063</u>
Number of Rental Parking Spaces (352GSF/space)			<u>1,280</u>
Total Gross Square Footage (GSF)			<u>1,871,194</u>
	Rental Residential GSF	<u>1,420,714</u>	
	Rental Parking GSF	<u>337,920</u>	
Total Rental Residential Net Square Footage (NSF)			<u>1,254,926</u>
<hr/>			
Acquisition Costs (\$	/Land SF;\$	/Unit)	<u>-</u>
Relocation Costs			<u>200,000</u>
<hr/>			
Construction Costs			
	Demolition (\$56 /Cubic SF)	<u>4,339,000</u>	
	New Rental Residential (\$55 /GSF)	<u>55,535,000</u>	
	Rehab. Rental Residential (\$ 38 /GSF)	<u>15,633,000</u>	
	Rental Parking (\$ 6,084 /space)	<u>7,788,000</u>	
	Site Improvements (\$1.48/Land SF)	<u>3,264,000</u>	
	Utility Relocation	<u>1,474,000</u>	
	Premium Site Preparation(\$1.58/Land SF)	<u>3,472,000</u>	
	Total		<u>91,505,000</u>
<hr/>			
Soft Costs			
	Developer Fees	<u>-0-</u>	
	Architect/Engineering	<u>2,261,000</u>	
	Financing Fees	<u>3,576,000</u>	
	Miscellaneous Fees	<u>712,000</u>	
	(Legal, Acctg., Insurance, Title)		
	Construction Loan Interest		
	(28 mos. @ 9% with 50% drawdown on \$83,166,000)	<u>8,814,000</u>	
	Real Estate Taxes		
	(Construction period of 36 mos.)	<u>403,000</u>	
	Rent-Up Operating Loss (mos.)	<u>-0-</u>	
	Other Soft Costs (please specify)	<u>536,000</u>	
	Total misc. fees, rent-up		<u>16,302,000</u>
Contingency (9.7% of \$16,020,000)			<u>1,549,000</u>
Total Rental Development Costs			<u>109,556,000</u>

OPERATING PRO FORMA FOR RENTAL UNITS AFTER RENT-UP

(Estimates in 1987 Dollars Using
7% Inflation Factor from 1983)

Residential Income (specify separately utilities included)

Unit		
<u>Type</u>	<u>#</u>	<u>Rent/Year</u>

See Attachments

Total	<u>13,777,908</u>
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Parking Land (1280 spaces @ \$73.50/space)	<u>1,128,960</u>
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Laundry	<u>58,836</u>
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Gross Potential Income	<u>14,965,704</u>
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Residential Vacancy (5 %)	<u>(748,285)</u>
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Total	<u>14,217,419</u>
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Rental Subsidy (if applicable)

Unit		
<u>Type</u>	<u>#</u>	<u>Subsidy/Year</u>

Total

Gross Effective Income

Operating Expenses
(Cost to Management)

	\$/NSF	\$ Total
Management	<u>.32</u>	409,000
Marketing	<u>.08</u>	106,000
Maintenance	<u>.54</u>	696,000
Heat	<u>1.13</u>	1,463,000
Gas	<u>-</u>	-
Electric	<u>.25</u>	327,000
Water & Sewer	<u>.13</u>	164,000
Insurance	<u>.10</u>	131,000
Reserve	<u>.31</u>	401,000
Security	<u>.28</u>	360,000
Tenant Services	<u>.28</u>	368,000

Total	<u>(4,425,000)</u>
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Parking (\$ /space)	<u>(-0-)</u>
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Real Estate Taxes

Residential	<u>1,571,000</u>
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Parking (\$ /space)	<u>226,000</u>
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Total	<u>(1,797,000)</u>
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Net Income Available for Debt and Return on Equity	<u>7,995,419</u>
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Debt Service (9% on \$83,166,000 for 40 years)	<u>(8,117,002)</u>
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Cash Flow	<u>(121,583)</u>
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Return on Equity	<u>-</u>
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SECTION E - ESTIMATE OF INCOME - 1987 DOLLARS

Unit Type	No. of Living Units	No. of Units Assisted	Living Area (Sq. Ft.)	Composition of Units	FBI incl. in Rent (\$) * (Sec. F-1)	Unit Rent per Mo. (\$)	Total Monthly Unit Rent (\$)
HIGH-RISE TOWERS, BUILDINGS A, B, D (792 units)							
1BR	312		640-690	18 low-income 294 market	27	132 900	2376 264600
2BR	480		900	63 low-income 417 market	37	123 1213	7749 505821
MID-RISE ELDERLY, BUILDINGS 7 & 10 (70 units)							
1BR	66		650	38 low-income 28 market	27	132 839	5016 23492
2BR	4		900	2 low-income 2 market	37	123 1158	246 2316
MID-RISE LOCATION WITH TOWNHOUSE, BUILDINGS 12, 17, E & F (157 units)							
2BR	32		850-1100	15 low-income 17 market	37	123 1194	1845 20298
2BR	85		970-1200	Duplex 5 low-income 80 market	37	123 1274	615 101920
2BR	2		1230-1280	Townhouse 2 market		1531	3062
3BR	6		1158-1300	Duplex 6 market		1507	9042
3BR	32		1080-1553	16 low-income Townhouse 16 market	45	114 1605	1824 25680
MID-RISE LOCATION IN FAMILY AREAS, BUILDINGS 5, 27 (87 units)							
1BR	9		800	9 market		980	8820
2BR	21		1100	2 low-income 19 market	37	123 1348	246 25612
2BR	36		1200	Duplex 4 low-income 32 market	37	123 1470	492 47040
2BR	2		1100-1280	Townhouse 2 market		1458	2916
3BR	3		1300	Duplex 2 low-income 1 market	45	114 1592	228 1592
3BR	16		1300-1550	12 low-income Townhouse 4 market	45	114 1764	1368 7056
LOW-RISE, BUILDINGS, G, H, I, J, K, L, M, N, O, P (230 units)							
2BR	18		967	18 market		1188	21384
3BR	74		990	Duplex 72 low-income 2 market	45	114 1213	8208 2426
3BR	41		1140-1200	Townhouse 17 low-income 24 market	45	114 1421	1938 34104
4BR	65		1240-1620	Townhouse 65 low-income	53	107	6955
5BR	25		1450	Townhouse 25 low-income	60	99	2475
6BR	7		2195	Townhouse 7 low-income	67	92	644
TOTALS					2 TOTAL ESTIMATED MONTHLY RENTALS FOR ALL LIVING UNITS \$ 1149406		

SECTION E - ESTIMATE OF INCOME - CURRENT DOLLARS

Unit Type	No. of Living Units	No. of Units Assisted	Living Area (Sq. Ft.)	Composition of Units	PBE Not in Rent (\$/Sec. F-1)	Unit Rent per Mo (\$)	Total Monthly Unit Rent (\$)
HIGH-RISE TOWERS, BUILDINGS A, B, D (792 units)							
1BR	312		640-690	18 low-income 294 market	22	108 735	1944 216090
2BR	480		900	63 low-income 417 market	30	100 990	6300 412830
MID-RISE ELDERLY, BUILDINGS 7 & 10 (70 units)							
1BR	66		650	38 low-income 28 market	22	108 685	4104 19180
2BR	4		900	2 low-income 2 market	30	100 945	200 1890
MID-RISE LOCATION WITH TOWNHOUSE, BUILDINGS 12, 17, E & F (157 units)							
2BR	32		850-1100	15 low-income 17 market	33	97 975	1455 16575
2BR	85		970-1200	Duplex 80 market	30	100 1040	500 83200
2BR	2		1230-1280	Townhouse 2 market		1250	2500
3BR	6		1158-1300	Duplex 6 market		1230	7380
3BR	32		1080-1553	Townhouse 16 low-income 16 market	37	93 1310	1488 20960
MID-RISE LOCATION IN FAMILY AREAS, BUILDINGS 5, 27 (87 units)							
1BR	9		800	9 market		800	7200
2BR	21		1100	2 low-income 19 market	30	100 1100	200 20900
2BR	36		1200	Duplex 32 market	30	100 1200	400 38400
2BR	2		1100-1280	Townhouse 2 market		1190	2380
3BR	3		1300	Duplex 2 low-income 1 market	37	93 1300	186 1300
3BR	16		1300-1550	Townhouse 12 low-income 4 market	37	93 1440	1116 5760
LOW-RISE, BUILDINGS, G, H, I, J, K, L, M, N, O, P (230 units)							
2BR	18		967	18 market		970	17460
3BR	74		990	Duplex 72 low-income 2 market	37	93 990	6696 1980
3BR	41		1140-1200	Townhouse 17 low-income 24 market	37	93 1160	1581 27840
4BR	65		1240-1620	Townhouse 65 low-income	43	87	5655
5BR	25		1450	Townhouse 25 low-income	49	81	2025
6BR	7		2195	Townhouse 7 low-income	55	75	525
TOTALS							938200

2 TOTAL ESTIMATED MONTHLY RENTALS FOR ALL LIVING UNITS \$ 938200

FOR SALES HOUSING

The for sales condominium housing, which will be located in one of the towers on Mt. Vernon Street, will provide 227 units of housing for the moderate income market. It is anticipated that these units will be financed through the Home Ownership Program of the Massachusetts Housing Finance Agency. For purposes of this proposal, it has been assumed that these units will be sold at the maximum amounts allowed. Given an inflation rate of seven percent per year, this will result in a selling price of \$95,285 for a two-bedroom unit and \$89,159 for a one-bedroom unit in 1987 - when the units are anticipated to be completed. Resales of the units will be controlled to assure continued use of this housing for the moderate income market. These controls will be designed in cooperation with the Boston Redevelopment Authority, the Boston Housing Authority and the Columbia Point Community Task Force.

In addition, it is currently contemplated that the remaining 37 two-bedroom units in this building will be leased to lower income families. To accomplish this, a total of \$3,525,547 has been set aside from the contemplated Urban Development Action Grant Funds to allow the developer to purchase these units. The existing lower income families who will occupy these units are, today, unable to cover the anticipated operating costs, exclusive of debt service, of these units. The operating shortfall will be secured through the Initial Operating Deficit Fund which is described in this section.

Although this building will provide a different type of housing (i.e., ownership versus rental), all of the activities available within the development as a whole will be made available to the condominium residents as well as the renters of the units in these buildings. This building, which will provide an opportunity for a different income mix within the development, will be totally integrated in the overall development plan.

With respect to the following pro formas, the sales period has been established as four months, as the units will be able to be marketed from earlier-completed tower buildings at least a year ahead of completion of this building. In addition, the net profit from this portion of the development will be used to help recover a portion of the funds previously advanced for the Initial Operating Deficit Fund of this housing and the rental housing and for the equity requirements of the rental housing. Finally, as is described in the pro formas, the after-tax housing costs for the average condominium owner in today's dollars will be \$645 per month. Assuming that the household spends 30 percent of its adjusted income for housing, this family would require an income of \$25,800 per year in today's dollars.

DEVELOPMENT PRO FORMA FOR SALES HOUSING

(Estimates in 1987 Dollars)

Using 7% Inflation Factor from 1983)

Number of Residential Units		264
Mix of Units		
1 Bedroom	104	
2 Bedroom	<u>160</u>	
3 Bedroom		
4 Bedroom		
5 Bedroom		
6 Bedroom		
Other		
Average Unit Square Footage		<u>985</u>
Number of Sales Housing Parking Spaces (GSF/space)		<u>NONE</u>
Total Gross Square Footage (GSF)		<u>260,000</u>
Residential Sales Housing GSF	<u>260,000</u>	
Sales Housing Parking GSF	<u>-0-</u>	
Total Sales Housing Net Square Footage (NSF)		<u>205,200</u>
<hr/>		
Acquisition Costs (\$ /Land SF; \$ /Unit)		<u>NONE</u>
Relocation Costs		
Construction Costs		
Demolition (\$.41/Cubic SF)	<u>111,000</u>	
New Sales Housing (\$54.42 /GSF) 14	<u>151,000</u>	
Rehab. Sales Housing (\$ /GSF)	<u>-</u>	
Sales Housing Parking (/space)	<u>-</u>	
Site Improvements (\$4.15 Land SF)	<u>117,000</u>	
Utility Relocation	<u>28,000</u>	
Premium Site Preparation(\$31.62/Land SF)	<u>890,000</u>	
Total		<u>15,297,000</u>
Soft Costs		
Developer Fees	<u>-</u>	
Architect/Engineering	<u>462,000</u>	
Financing Fees	<u>633,000</u>	
Miscellaneous Fees	<u>162,000</u>	
(Legal, Acctg., Insurance, Title)		
Construction Loan Interest		
(20 mos. @ 7% with 50% drawdown		
on \$ 18,100,000)	<u>1,056,000</u>	
Real Estate Taxes		
(Construction period of mos.)	<u>83,000</u>	
Sales Housing Carrying Cost		
(Sale period of 4 mos.)	<u>225,000</u>	
Other Soft Costs (please specify)	<u>50,000</u>	
Total		<u>2,671,000</u>
Contingency (% of \$)		<u>-</u>
Total Sales Housing Development Costs		<u>17,968,000</u>

SALES PRO FORMA FOR SALES HOUSING
(Estimates in 1987 Dollars
Using 7% Inflation Factor from 1983)

I. Sales Housing

Gross Sales Proceeds		<u>24,518,234</u>
Gross Sales Housing/NSF	<u>119.48</u>	
Less Marketing Fees(1.5% of Gross Sales Proceeds)		<u>(314,890)</u>
Less Total Sales Housing Development Costs		<u>(17,968,344)</u>
Total Sales Housing Cost/NSF	<u>87.56</u>	
Net Profit (Before Taxes)		<u>6,235,344</u>
Return on Gross Sales Proceeds (%)		<u>25.4%</u>
(Net Profit/Gross Sales Proceeds)		

II. Sales Housing Parking Sales

Gross Sales Proceeds		
Gross Parking Sales/Space	<u> </u>	
Less Marketing Fees (% of Gross Sales Proceeds)		<u>()</u>
Less Total Sales Housing Parking Development Costs		<u>()</u>
Total Parking Cost/Space	<u> </u>	
Net Profit (Before Taxes)		<u> </u>
Return on Gross Sales Proceeds (%)		<u>-0-</u>
(Net Profit/Gross Sales Proceeds)		

III. Total Sales

Gross Residential Sales Housing Sales Proceeds		<u>24,518,234</u>
Gross Sales Housing Parking Sales Proceeds		<u>-0-</u>
Total Sales Housing Sales Proceeds		<u>24,518,234</u>
Less Total Marketing Fees		<u>(314,890)</u>
Less Total Sales Housing Development Costs		<u>(17,968,000)</u>
Net Profit (Before Taxes)		<u>6,235,344</u>
Total Return on Gross Sales Housing Proceeds (%)		<u>25.4%</u>
(Net Profit/Total Gross Sales Proceeds)		

COST OF OWNERSHIP PRO FORMA FOR SALES HOUSING UNIT
 (Estimates in 1987 Dollars
 Using 7% Inflation Factor from 1983)

Average Unit Size (NSF)	<u>777</u>
Average Unit Price	<u>92,872</u>
Downpayment (\$, %)	<u>9,287; 10%</u>

Annual Common Area Charges (\$ /NSF)	<u>2,957</u>
Annual Real Estate Taxes (\$ /NSF)	<u>1,440</u>
Annual Mortgage Payment (10.5% on \$83,588 for 30 years)	<u>9,178</u>
Total Annual Cost of Ownership (Before-tax)	<u>13,575</u>
Total Monthly Cost of Ownership (Before-tax)	<u>1,131</u>

Tax Deductible Expenses	
Mortgage Interest	8,775
Real Estate Taxes	<u>1,441</u>
TOTAL	10,216

Tax Savings for a Family in the
40% tax Bracket.

Annual - \$4,086
 Monthly - 341

After Tax Housing Costs in 1987 dollars

Annual - \$9,489
 Monthly - 790

After Tax Housing Coston in 1983 dollars

Annual - \$7,745
 Monthly - 645

NON-RESIDENTIAL HOUSING DEVELOPMENT

As is described in the attached pro formas for non-residential development, the cost of this portion of the development does not carry itself because of the high portion of non-income-producing space which, in large part, represents ancillary uses and services for the residential development and, hence, is part of the infrastructure of the development. For purposes of these pro formas, it has been assumed that the users of the space will pay their own operating costs, except for taxes, which are shown as the only itemized expense.

In addition, pro formas have not been provided for the proposed marina and restaurant as these spaces will be developed in conjunction with a specific user. In discussions with marina operators, they have expressed confidence for the need of this type of marina facility and a willingness to undertake it when the dredging and the construction of a breakwater is completed by the Army Corps of Engineers. In addition, we have also talked with Bay State Cruises which expressed an interest in providing commuter boat service to and from downtown Boston and Columbia Point.

DEVELOPMENT PRO FORMA FOR NON-RESIDENTIAL PORTION

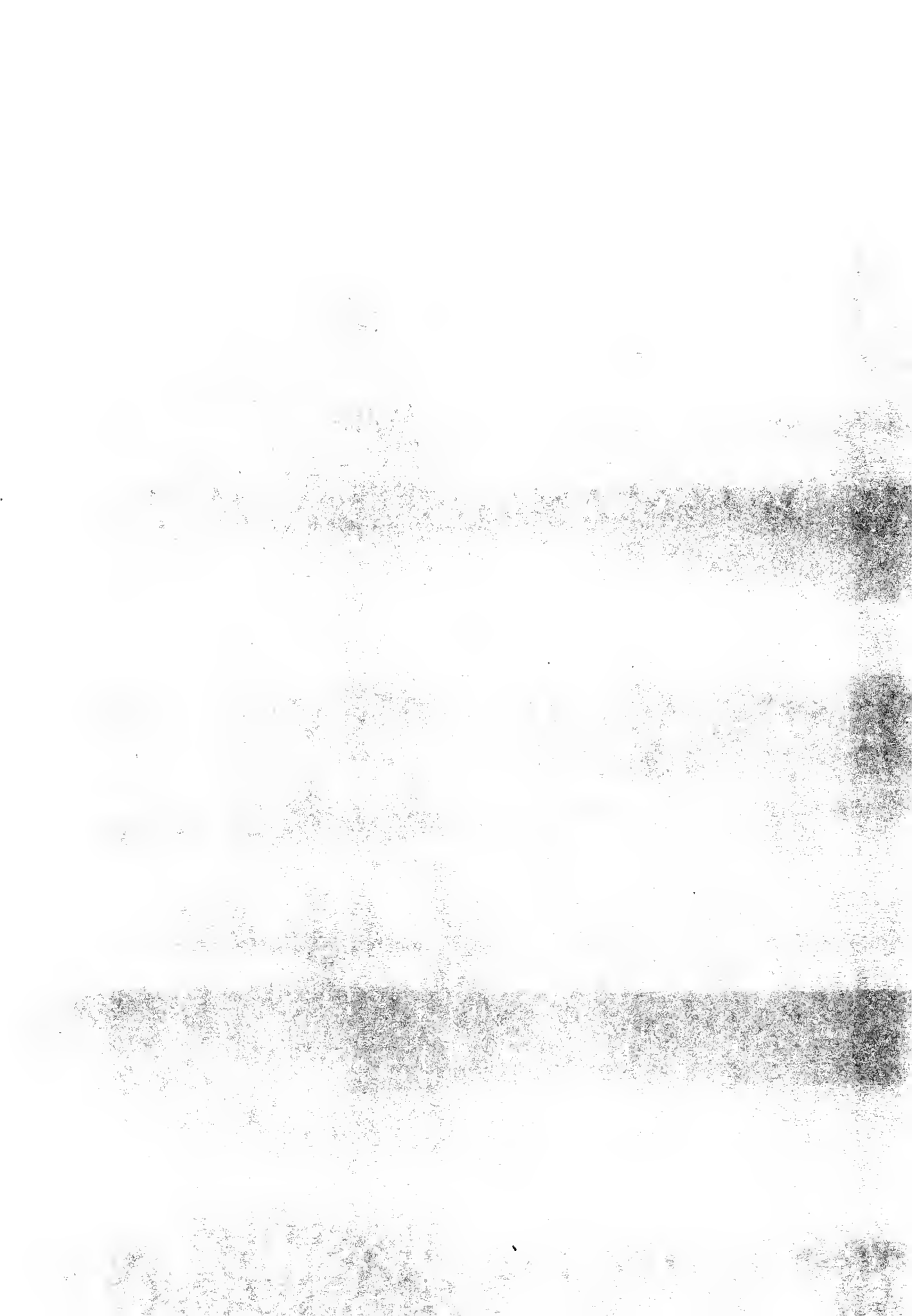
(Estimates in 1987 Dollars

Using 7% Inflation Factor from 1983)

	GSF	NSF	
Office	<u>29,400</u>	<u>25,284</u>	
Retail	<u>9,800</u>	<u>8,400</u>	
Recreational/Community	<u>17,300</u>	<u>14,705</u>	
Other	<u>9,160</u>	<u>7,880</u>	
Total	<u>65,660</u>	<u>56,269</u>	
Number of Parking Spaces			<u>35</u>
<hr/>			
Acquisition Costs (\$ /Land SF)		<u>-0-</u>	
<hr/>			
Construction Costs			
Demolition (\$.35 /Cubic SF)		<u>152,000</u>	
Office (\$38.95 /GSF)		<u>1,145,000</u>	
Retail (\$33.37 /GSF)		<u>327,000</u>	
Rental Parking (\$ 890 /space)		<u>31,000</u>	
Site Improvements (\$1.67/ Land SF)		<u>33,000</u>	
Recreational/Community (\$ 55.63 /GSF)		<u>962,000</u>	
Utility Relocation		<u>61,000</u>	
Premium Site Preparation (\$ /Land SF)		<u>-0-</u>	
Other (\$44.50 /GSF)		<u>407,000</u>	
Total			<u>3,118,000</u>
<hr/>			
Soft Costs			
Developer Fees		<u>-0-</u>	
Architect/Engineering		<u>77,000</u>	
Financing Fees		<u>122,000</u>	
Miscellaneous Fees		<u>24,000</u>	
(Legal, Acctg., Insurance, Title)			
Construction Loan Interest			
(16mos. @ 9 % with 50% drawdown on \$3,600,000)		<u>216,000</u>	
Real Estate Taxes			
(Construction period of 16 mos.)		<u>14,000</u>	
Rent-Up Operating Loss (mos.)		<u>-0-</u>	
Other Soft Costs (please specify)		<u>14,000</u>	
Total			<u>467,000</u>
<hr/>			
Contingency (1.7 % of \$3,118,000)			<u>53,000</u>
<hr/>			
Total Non-Residential Development Costs			<u>3,638,000</u>

OPERATING PRO FORMA FOR NON-RESIDENTIAL PORTION AFTER RENT-UP
 (Estimates in 1987 Dollars
 Using 7% Inflation Factor from 1983)

Commercial Income			
Office(28,300NSF @ \$	/NSF)	<u>105,276</u>	
Retail(8,400NSF @ \$	/NSF)	<u>61,488</u>	
Commercial Parking		-	
(spaces @ \$	/space/month)	-	
Recreational/Community		-	
(NSF @ \$	/NSF)	-	
Other (NSF @ \$	/NSF)	-	
			<u>166,764</u>
Potential Gross Income			
Vacancy (10 %)			<u>(16,676)</u>
Effective Gross Income			<u>150,088</u>
Operating Expenses			
Office (\$	/NSF)	<u>-0-</u>	
Retail (\$	/NSF)	<u>-0-</u>	
Recreational/Community		-	
(\$	/NSF)	<u>-0-</u>	
Commercial Parking (\$	/space)	<u>-0-</u>	
Other (\$	/NSF)	<u>-0-</u>	
Total		<u>(-0-)</u>	
Real Estate Taxes			
Office (\$.67	/NSF)	<u>18,950</u>	
Retail (\$ 1.32	/NSF)	<u>11,068</u>	
Recreational/Community		-	
(\$	/NSF)	<u>-0-</u>	
Commercial Parking (\$	/space)	<u>-0-</u>	
Other (\$	/NSF)	<u>-0-</u>	
Total		<u>(30,018)</u>	
Net Income Available for Debt and Return on Equity			<u>120,070</u>
Debt Service (9\$ on \$2,834,000 for 40 years; 976 % debt service constant)			<u>(276,598)</u>
Cash Flow			<u>(156,528)</u>
Return on Equity (% , \$)			<u>-</u>
Return on Total Non-Residential Development Cost (%) (Net Income Available/Total Costs)			<u>-</u>



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HOUSING-FEDERAL HOUSING COMMISSION
APPLICATION FOR MULTIFAMILY HOUSING PROJECT**

SECTION A - PROJECT IDENTIFICATION

1. Name of Project <p align="center">Columbia Point Rental Housing 1987 Completion</p>	2. HUD Project Number (Mortgage Ins. or Sec. 202) 3. HUD Project Number (Section 8)
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SECTION B - PURPOSE OF APPLICATION

TO: The Assistant Secretary for Housing-Federal Housing Commissioner: Application is being made pursuant to Item (a): 1, 2, 3 of Section M, Page 3 hereof. The undersigned desire(s) to participate, with respect to the Property and Program(s) described below. Therefore, it is requested that you give consideration to the information presented herein, for the purpose of loaning and/or approving:

Mortgage Insurance: Section: 221 (d) (4) Mortgagor: PM NP LD B-S Other _____

a Feasibility Letter (Rehab.) Direct Loan Section 202 Financing: Conventional GNMA Bond State Agency

a SAMA Letter (New Const.) Housing Asst. Pymnts. Sec. 8 Other _____

a Conditional Commitment a Preliminary Proposal Mortgage/Loan Amount: \$ 86,000,000

a Firm Commitment a Final Proposal Interest Rate: Permanent 9 % Construction 9 %

SECTION C - LOCATION AND DESCRIPTION OF PROPERTY

1. Street Address	2. Municipality	3. County	4. State and ZIP Code	5. Congressional Dist.	
6. Type of Project: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Rehabilitation <input type="checkbox"/> Existing Year Built: <u>19</u>		7. Number of Units: Revenue: <u>1336</u> Non-Rent Revenue: _____ TOTAL: <u>1336</u>	8. No. of Buildings	9. List Accessory Buildings Area Sq. Ft.	10. List Recreation Facilities Area Sq. Ft.
11. Type of Buildings: <input type="checkbox"/> Elevator <input type="checkbox"/> Walkup <input type="checkbox"/> Row (T.H.) <input type="checkbox"/> Detached <input type="checkbox"/> Semi-Detached		12. No. of Stories	13. No. of Elevators	14. Type of Foundation: <input type="checkbox"/> Slab on Grade <input type="checkbox"/> Crawl Space <input type="checkbox"/> Partial Bsmt. <input type="checkbox"/> Full Basement	
15. Structural System	16. Floor System	17. Exterior Finish	18. Heating System	19. Air Conditioning System	

SECTION D - INFORMATION CONCERNING LAND OR PROPERTY

1. Date <input type="checkbox"/> Acquired <input type="checkbox"/> Optioned	2. Price <input type="checkbox"/> Purchase <input type="checkbox"/> Option	3. Additional Cost Paid or Accrued	4. Total Cost	5. Outstanding Balance	6. Relationship Between Seller and Buyer, Business, Personal or Other
7. Site Area Sq. Ft.		8. Zoning (If recently changed, submit evidence)		9. If leasehold, show annual ground rent \$ lease term, remaining years	
10. Off-Site Facilities: Water <input type="checkbox"/> Public <input type="checkbox"/> Comm. <input type="checkbox"/> At Site <input type="checkbox"/> Feet from Site _____ ft. Sewer <input type="checkbox"/> _____ ft. Paving <input type="checkbox"/> _____ ft. Gas <input type="checkbox"/> _____ ft. Electrical <input type="checkbox"/> _____ ft.		11. Unusual Site Features <input type="checkbox"/> None <input type="checkbox"/> Poor Drainage <input type="checkbox"/> Cuts <input type="checkbox"/> Retaining Walls <input type="checkbox"/> Fill <input type="checkbox"/> Rock Foundations <input type="checkbox"/> Erosion <input type="checkbox"/> High Water Table <input type="checkbox"/> Other _____		12. Special Assessments a. <input type="checkbox"/> Prepayable <input type="checkbox"/> Non-prepayable b. Principal Balance \$ _____ c. Annual Payment \$ _____ d. Remaining Terms _____ years.	

SECTION E - ESTIMATE OF INCOME

Unit Type	No. of Living Units	No. of Units Assisted	Living Area (Sq. Ft.)	Composition of Units	PBE Not in Rent (\$) * (Sec. F-1)	Unit Rent per Mo. (\$)	Total Monthly Unit Rent (\$)
See Attachment							
Employees (Liv. Units)							
TOTALS							2. TOTAL ESTIMATED MONTHLY RENTALS FOR ALL LIVING UNITS \$ 1,149,406

3. Number of Parking Spaces <input type="checkbox"/> Attended <input checked="" type="checkbox"/> Self Park Total Spaces	4. Parking and Other Income (Not Included in Rent) Open Spaces <u>720</u> @ \$ <u>0</u> per month = \$ <u>-</u> Covered Spaces <u>1280</u> @ \$ <u>73.50</u> per month = \$ <u>94,080</u> Laundry <u>1336</u> @ \$ <u>3.67</u> per month = \$ <u>4,903</u> Other <u>UDAG I / Bayside Assoc.</u> per month = \$ <u>13,381</u> Rental Income Deficit Fund TOTAL ANCILLARY INCOME \$ 199,877
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5. Commercial Space (Describe) Area-Ground Level <u>8,400</u> sq. ft. @ \$ <u>.61</u> per sq. ft./month = \$ <u>5,124</u> Other Levels <u>28,300</u> sq. ft. @ \$ <u>.31</u> per sq. ft./month = \$ <u>8,773</u> TOTAL COMMERCIAL \$ <u>13,897</u>
--

8. TOTAL ESTIMATED MONTHLY GROSS INCOME AT 100 PERCENT OCCUPANCY \$ 1,363,180

7. TOTAL ANNUAL RENT (Item 6 times 12 months) \$ 16,358,160

8. Gross Floor Area: Sq. Ft.	9. Net Rentable Residential Area: Sq. Ft.	10. Net Rentable Commercial Area: Sq. Ft.
-----------------------------------	--	--

SECTION F - EQUIPMENT AND SERVICES (Check Items Included in the Rent, Listed Below)

Equipment:

Range and Oven Carpet
 Microwave Oven Orespes
 Refrigerator Swimming Pool
 Laundry Facilities Air Conditioning Equip.
 In Common Area Trash Compactor
 In Living Unit Disposal
 L.U. Hookup Only Other

Services:

Gas Elect. Oil
 Heat
 Hot Water
 Cooking
 Air Conditioning
 Lights, etc., in Units
 Cold Water Parking
 Other

SECTION F-1 - UTILITIES (Not in Rent)

* PERSONAL BENEFIT EXPENSES (PBE):
Check Utilities and Services Not Included in the Rent and Paid Directly by the Tenant.

Electricity Heating Gas
 Decorating Repairs Water

Other _____

Remarks _____

SECTION Q - ESTIMATE OF REPLACEMENT COST	SECTION I - ESTIMATE OF ANNUAL EXPENSE
LAND IMPROVEMENTS	ADMINISTRATIVE
1. Unusual Land Improvements \$ _____	1. Advertising \$ _____
2. Other Land Improvements \$ _____	2. Management Fee (____%) \$ _____
3. TOTAL LAND IMPROVEMENTS \$ _____	3. Other \$ _____
STRUCTURES	4. TOTAL ADMINISTRATIVE \$ _____
4. Main Buildings \$ _____	OPERATING
5. Accessory Buildings \$ _____	5. Elevator Maintenance Exp. \$ _____
6. Garage \$ _____	6. Fuel - Heating \$ _____
7. All Other Buildings \$ _____	7. Fuel - Domestic Hotwater \$ _____
8. TOTAL STRUCTURES \$ <u>94,623,000</u>	8. Lighting and Misc. Power \$ _____
9. SUBTOTAL (Line 3 plus Line 8) \$ _____	9. Water \$ _____
10. General Requirements (Line 9 x _____%) \$ _____	10. Gas \$ _____
11. SUBTOTAL (Line 9 plus Line 10) \$ <u>94,623,000</u>	11. Garbage and Trash Removal \$ _____
FEES	12. Payroll \$ _____
12. Builder's General Overhead (Line 11 x _____%) \$ _____	13. Other \$ _____
13. Builder's Profit (Line 11 x _____%) \$ _____	14. TOTAL OPERATING \$ _____
14. SUBTOTAL (Sum of Lines 11 through 13) \$ <u>94,623,000</u>	MAINTENANCE
15. Bond Premium \$ _____	15. Decorating \$ _____
16. Other Fees \$ <u>417,000</u>	16. Repairs \$ _____
17. ESTIMATED TOTAL COST OF CONSTRUCTION \$ _____	17. Exterminating \$ _____
18. Architect's Fee - Design (Line 14 x _____%) \$ <u>2,338,000</u>	18. Insurance \$ _____
19. Architect's Fee-Supervisory (Line 14 x _____%) \$ _____	19. Ground Expense \$ _____
20. TOTAL FOR ALL IMPROVEMENTS (Sum of Lines 17 through 19) \$ <u>97,378,000</u>	20. Other \$ _____
21. Cost per Gross Square Foot (Line 20 divided by Item 8, Section E) \$ _____	21. TOTAL MAINTENANCE \$ _____
22. Construction Time <u>34</u> Months Plus 2 = <u>36</u> Months	22. Replacement Res.: New Const. = (.006 x Line 8, Sec. G Total Struct.) Rehab = (.004 x Mort/Loan Requested in Sec M) \$ _____
CHARGES AND FINANCING DURING CONSTRUCTION	23. SUBTOTAL EXPENSES (Sum of Lines 4, 14, 21 and 22) \$ _____
23. Interest on <u>\$43,000,000</u> @ <u>9</u> % for <u>28</u> Months \$ <u>9,030,000</u>	24. Real Estate: Est. Assessed Value = \$ _____ at \$ _____ per \$1000 = \$ _____
24. Taxes \$ <u>417,000</u>	25. Personal Prop. Est. Assessed Value = \$ _____ at \$ _____ per \$1000 = \$ _____
25. Insurance \$ <u>300,000</u>	26. Employee Payroll Tax \$ _____
26. HUD/FHA Mtg. Ins. Pre. <u>1.5%</u> \$ <u>1,290,000</u>	27. Other \$ _____
27. HUD/FHA Exam. Fee (0.3%) \$ <u>258,000</u>	28. Other \$ _____
28. HUD/FHA Insp. Fee (0.5%) \$ <u>430,000</u>	29. TOTAL TAXES \$ _____
29. Financing Fee (<u>2.0</u>) \$ <u>1,720,000</u>	30. TOTAL EXPENSES (Line 23 plus Line 29) \$ <u>6,252,000</u>
30. FNMA/GNMA Fee (____%) \$ _____	31. Avg. exp. per unit per annum (PUPA) (Line 30 divided by TOTAL Item 7 Sec. C) \$ <u>4,680</u>
31. AMPO (2.0%) \$ _____	
32. Contingency (Sec. 202) (3.0%) \$ _____	SECTION J - TOTAL SETTLEMENT REQUIREMENTS
33. Title and Recording \$ <u>361,000</u>	1. Development Costs (Line 45, Section G) \$ <u>124,319,000</u>
34. TOTAL CHARGES AND FINANCING \$ <u>13,806,000</u>	2. Cash Req. for Land Debt/Acquisition \$ _____
LEGAL, ORGANIZATION AND AUDIT FEE	3. SUBTOTAL (Lines 1 plus 2) \$ <u>124,319,000</u>
35. Legal \$ _____	4. Mortgage Amount \$ <u>86,000,000</u>
36. Organization \$ _____	5. Development/Cash (Lines 3 minus 4) +/- \$ <u>38,319,000</u>
37. Cost Certification Audit Fee \$ _____	6. Initial Operating Deficit \$ _____
38. TOTAL LEGAL, ORG. AND AUDIT FEE \$ <u>75,000</u>	7. Discount Costs \$ _____
39. Builder's and Sponsor's Profit and Risk \$ <u>11,125,000</u>	8. Interest Yield Costs \$ _____
40. Consultant Fee (Nonprofit Only) \$ _____	9. Working Capital (2% of Mortgage Amount) \$ _____
41. Supplemental Management Fund \$ <u>133,000</u>	10. Min. Capital Investment (Sec. 202) \$ _____
42. Contingency Reserve (Rehabilitation Only) \$ <u>1,602,000</u>	11. Off-Site Construction Costs \$ _____
43. Relocation Expenses \$ <u>200,000</u>	12. Non-Mortgageable Relocation Expenses \$ _____
44. Other \$ _____	13. Other \$ _____
46. TOTAL ESTIMATED DEVELOPMENT COST (Lines 20 + 34 + 38 through 44) \$ <u>124,319,000</u>	14. TOTAL ESTIMATED CASH REQUIRED (Sum of Lines 5 through 13) \$ <u>38,319,000</u>
46. Land (Estimated Market Price of Site) _____ sq. ft. @ \$ _____ per sq. ft. \$ _____	FUNDS AVAILABLE FOR CASH REQUIREMENTS
47. TOTAL ESTIMATED REPLACEMENT COST OF PROJECT (Line 43 plus Line 44) \$ <u>124,319,000</u>	15. Source of Cash:
48. Average Cost per Living Unit \$ <u>93,053</u> (Line 45 divided by Total in Sec. C, Item 7)	a. Cash \$ <u>3,219,000</u>
	b. _____ \$ _____
	c. _____ \$ _____
	SUBTOTAL (a + b + c) <u>3,219,000</u>
SECTION H - ANNUAL INCOME COMPUTATIONS	18. Source of Fees and Grants:
1. Estimated Project Gross Income (Line 7, Section E, Page 1) \$ <u>16,358,160</u>	a. BSPRA \$ <u>11,125,000</u>
2. Occupancy (Entire Project) <u>95.23%</u>	b. Urban Initia- \$ <u>10,000,000</u>
3. Effective Gross Income (Line 1 x Line 2) \$ <u>15,578,222</u>	c. UDAG Five \$ <u>13,975,000</u>
4. Total Project Expenses (Line 30, Section I) \$ <u>6,252,000</u>	SUBTOTAL (a + b + c) \$ <u>35,100,000</u>
5. Net Income to Project (Line 3 minus Line 4) \$ <u>9,326,222</u>	17. TOTAL Cash, Fees and Grants (Sum of Lines 15 plus 16) \$ <u>38,319,000</u>
6. Expense Ratio (Line 4 divided by Line 3) <u>40.1%</u>	NOTE: Line 17 must equal or exceed Line 14

SECTION E - ESTIMATE OF INCOME - 1987 DOLLARS

Unit Type	No. of Living Units	No. of Units Assisted	Living Area (Sq. Ft.)	Composition of Units	Unit Rent in Rent (\$) (Sec. F-1)	Unit Rent per Mo. (\$)	Total Monthly Unit Rent (\$)
HIGH-RISE TOWERS, BUILDINGS A, B, D (792 units)							
1BR	312		640-690	18 low-income 294 market	27	132 900	2376 264600
2BR	480		900	63 low-income 417 market	37	123 1213	7749 505821
MID-RISE ELDERLY, BUILDINGS 7 & 10 (70 units)							
1BR	66		650	38 low-income 28 market	27	132 839	5016 23492
2BR	4		900	2 low-income 2 market	37	123 1158	246 2316
MID-RISE LOCATION WITH TOWNHOUSE, BUILDINGS 12, 17, E & F (157 units)							
2BR	32		850-1100	15 low-income 17 market	37	123 1194	1845 20298
2BR	85		970-1200	Duplex 5 low-income 80 market	37	123 1274	615 101920
2BR	2		1230-1280	Townhouse 2 market		1531	3062
3BR	6		1158-1300	Duplex 6 market		1507	9042
3BR	32		1080-1553	16 low-income Townhouse 16 market	45	114 1605	1824 25680
MID-RISE LOCATION IN FAMILY AREAS, BUILDINGS 5, 27 (87 units)							
1BR	9		800	9 market		980	8820
2BR	21		1100	2 low-income 19 market	37	123 1348	246 25612
2BR	36		1200	Duplex 4 low-income 32 market	37	123 1470	492 47040
2BR	2		1100-1280	Townhouse 2 market		1458	2916
3BR	3		1300	Duplex 2 low-income 1 market	45	114 1592	228 1592
3BR	16		1300-1550	12 low-income Townhouse 4 market	45	114 1764	1368 7056
LOW-RISE, BUILDINGS, G, H, I, J, K, L, M, N, O, P (230 units)							
2BR	18		967	18 market		1188	21384
3BR	74		990	72 low-income Duplex 2 market	45	114 1213	8208 2426
3BR	41		1140-1200	Townhouse 17 low-income 24 market	45	114 1421	1938 34104
4BR	65		1240-1620	Townhouse 65 low-income	53	107	6955
5BR	25		1450	Townhouse 25 low-income	60	99	2475
6BR	7		2195	Townhouse 7 low-income	67	92	644
TOTALS					2 TOTAL ESTIMATED MONTHLY RENTALS FOR ALL LIVING UNITS \$ 1149406		

SECTION E - ESTIMATE OF INCOME - CURRENT DOLLARS

Unit Type	No. of Living Units	No. of Units Assisted	Living Area (Sq. Ft.)	Composition of Units	PBE Net. in Rent (\$) (Sec. F-1)	Unit Rent per Mo. (\$)	Total Monthly Unit Rent (\$)
HIGH-RISE TOWERS, BUILDINGS A, B, D (792 units)							
1BR	312		640-690	18 low-income 294 market	22	108 735	1944 216090
2BR	480		900	63 low-income 417 market	30	100 990	6300 412830
MID-RISE ELDERLY, BUILDINGS 7 & 10 (70 units)							
1BR	66		650	38 low-income 28 market	22	108 685	4104 19180
2BR	4		900	2 low-income 2 market	30	100 945	200 1890
MID-RISE LOCATION WITH TOWNHOUSE, BUILDINGS 12, 17, E & F (157 units)							
2BR	32		850-1100	15 low-income 17 market	33	97 975	1455 16575
2BR	85		970-1200	Duplex 80 market	30	100 1040	500 83200
2BR	2		1230-1280	Townhouse 2 market		1250	2500
3BR	6		1158-1300	Duplex 6 market		1230	7380
3BR	32		1080-1553	16 low-income 16 market Townhouse	37	93 1310	1488 20960
MID-RISE LOCATION IN FAMILY AREAS, BUILDINGS 5, 27 (87 units)							
1BR	9		800	9 market		800	7200
2BR	21		1100	2 low-income 19 market	30	100 1100	200 20900
2BR	36		1200-1100	4 low-income 32 market Duplex	30	100 1200	400 38400
2BR	2		1280	Townhouse 2 market		1190	2380
3BR	3		1300	Duplex 2 low-income 1 market	37	93 1300	186 1300
3BR	16		1300-1550	12 low-income 4 market Townhouse	37	93 1440	1116 5760
LOW-RISE, BUILDINGS, G, H, I, J, K, L, M, N, O, P (230 units)							
2BR	18		967	18 market		970	17460
3BR	74		990	72 low-income 2 market Duplex	37	93 990	6696 1980
3BR	41		1140-1200	17 low-income 24 market Townhouse	37	93 1160	1581 27840
4BR	65		1240-1620	Townhouse 65 low-income	43	87	5655
5BR	25		1450	Townhouse 25 low-income	49	81	2025
6BR	7		2195	Townhouse 7 low-income	55	75	525
TOTALS							2 TOTAL ESTIMATED MONTHLY RENTALS FOR ALL LIVING UNITS \$ 938200

Design Concept

SITE DESIGN

Columbia Point is one of the most prominent waterfront sites outside of Boston Inner Harbor. Columbia Point is also one of the most graphic examples of decayed subsidized housing in the country. Isolated and neglected, the impact of this image overwhelms the public and dictates a negative reaction to simple mention of the words "Columbia Point". Viewed objectively, however, the site has substantial assets not available in most areas of the city.

Columbia Point has:

- immediate waterfront accessibility.
- convenient auto and transit access.
- dramatic views ranging from the Boston Skylines to the Blue Hills of Canton.

It is also contiguous to major regional resources including, University of Massachusetts, the Kennedy Library, the Bayside Exposition Center, and the proposed State Archives Building. Other regional employers nearby include the Boston Globe and the First National Bank.

While the site does have these advantages, its recent history has created a poor public image of Columbia Point. Consequently, the special challenge of this project is to eliminate this negative perception and create a new environment which builds on the numerous assets of this unique location. This change in image is essential not only for the benefit of the current residents, but also to attract the lively mix of incomes, professions, and families which will provide the energy for a new Columbia Point Peninsula.

This change of image affects all aspects of the design and creates a framework which governs all decisions from site planning, organization and circulation to the design of existing and new buildings. Simultaneously, cost dictates the necessity of partially retaining the infrastructure provided by existing buildings and utilities while effecting the image transformation. The major components of the new Columbia Point reflect interrelated criteria and design goals which:

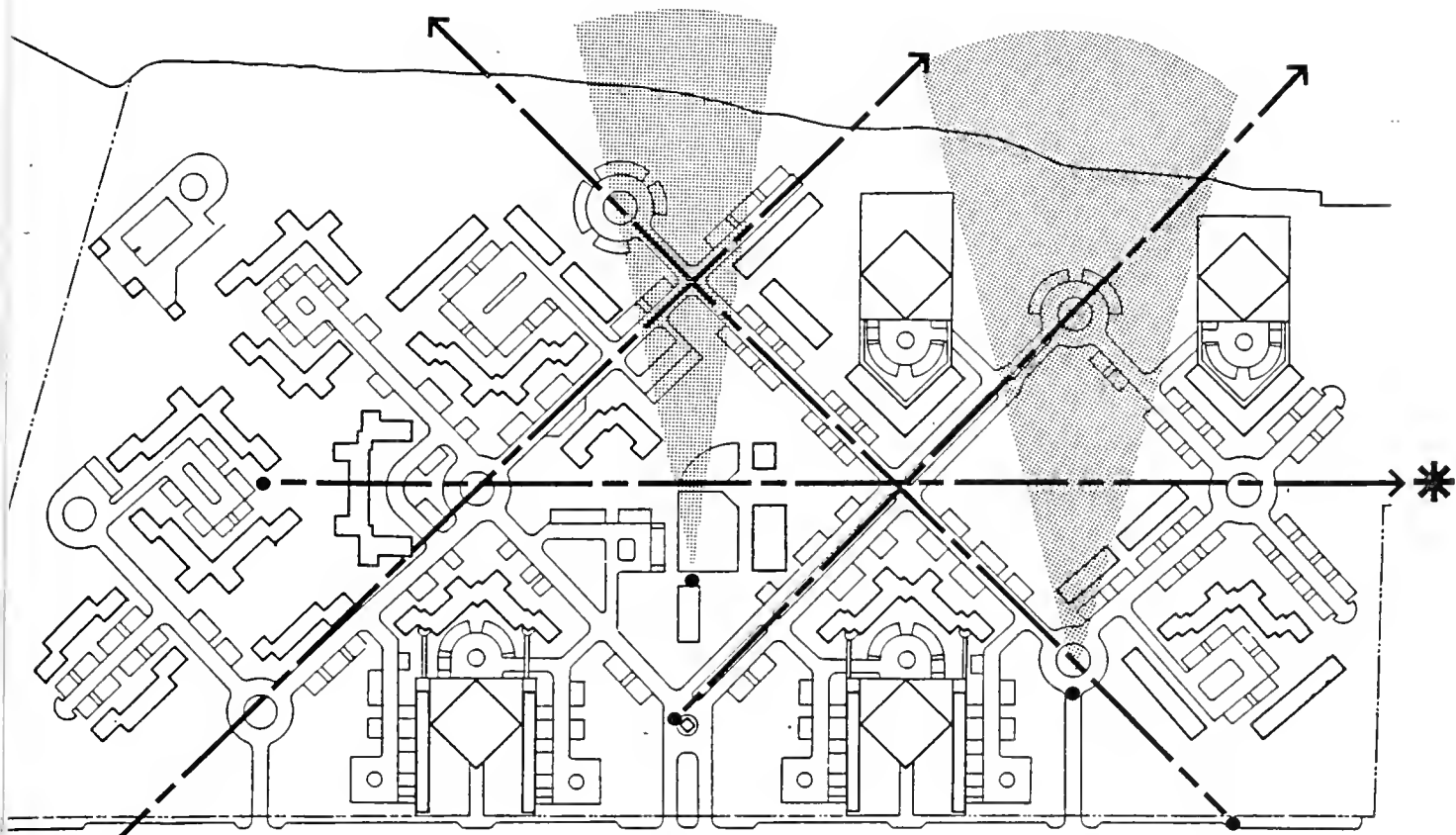
- reduce the sense of mass and physical enclosure from on and off the site
- increase waterfront accessibility
- maximize the reuse of existing buildings in a new context
- respond to environmental orientation
- create identifiable sub-neighborhoods within a cohesive development community
- distribute and focus passive and active recreation amenities
- provide a hierarchy of vehicular and pedestrian circulation routes within the site which tie to other urban and regional systems
- create a new physical image

The integration of these goals into a single design framework will transform the perception of Columbia Point to allow it to realize its inherent potential.

Reduction of Mass

The major visual impact of the existing Columbia Point is its physical density. Viewed from the water or University of Massachusetts, the buildings telescope together to create the impression of a wall. On the site there are few views out, as buildings close on each other due to their rotated geometry and staggered siting. Although the water's edge is only several hundred feet away, only the buildings on the east perimeter sense its proximity. Mid-rise buildings cast shadows across the site to the next mid-rise structure so that one perceives the project as a series of dark canyons.

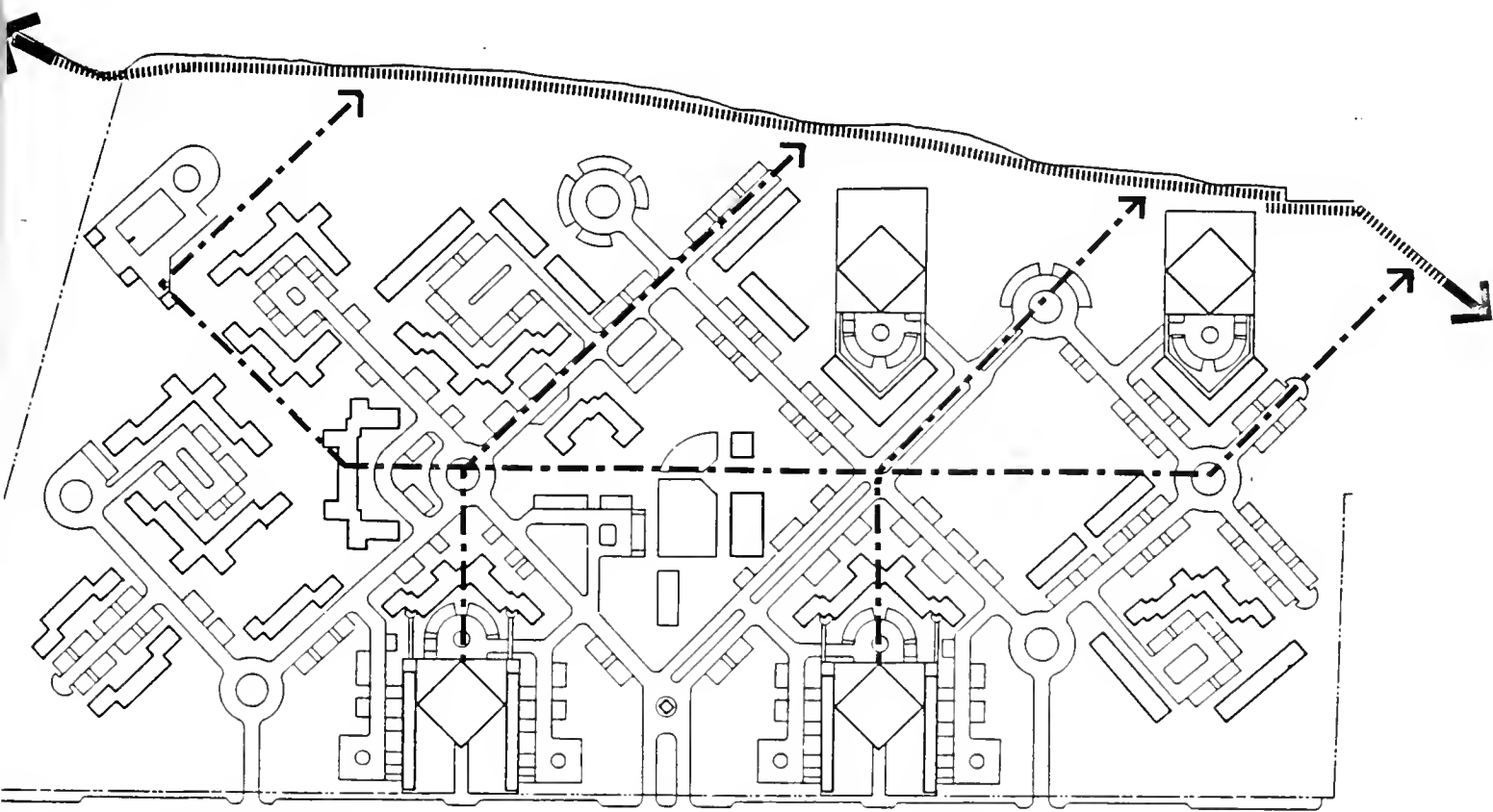
Selective removal of existing structures and careful location of new buildings will create view corridors through the site, reducing its mass as seen from the outside, allowing visual connection to the water from the neighborhoods and the main circulation paths. The thinning-out of structures in the central spine will increase the penetration of light and eliminate the tight shaded canyons. The development will no longer appear as a wall but will be articulated by corridors of view and movement which reinforce its planning framework.



Axial Views (Primary)

Vistas

VIEW CORRIDORS



Harbor Walk

Site Access to Water

WATERFRONT ACCESS

Waterfront Accessibility

Having increased the perception of the water's proximity it is important to strengthen its accessibility. The primary circulation paths terminate at the water's edge, providing easy access to a waterfront walk which links to similar walkways at the Kennedy Library and University of Massachusetts. Direct access is also provided from the town center and the town house family neighborhoods.

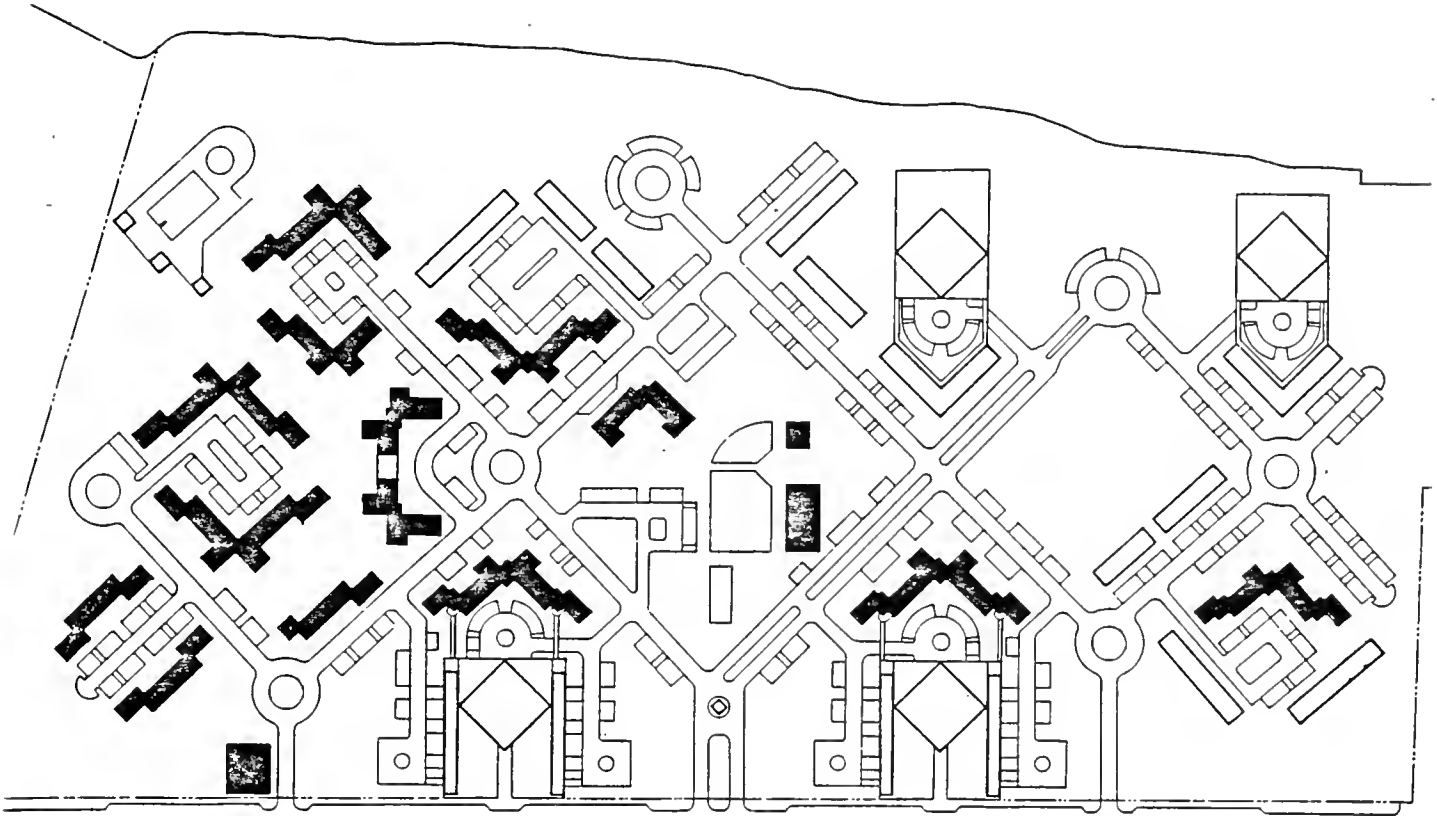
While increased accessibility is a major design component, it is not enough; the waterfront must be perceived as being secure and well surveilled. Therefore, additional housing and active recreation areas are located near the waterfront to promote a level of intensity of use and visibility which will insure the safety of residents. The water will be the front yard of the development, not the back lot as it exists today.

The introduction of water elements: wading pool, reflecting pool and fountain into the town center further reinforces the importance and continues the theme of the water as an asset of the site.

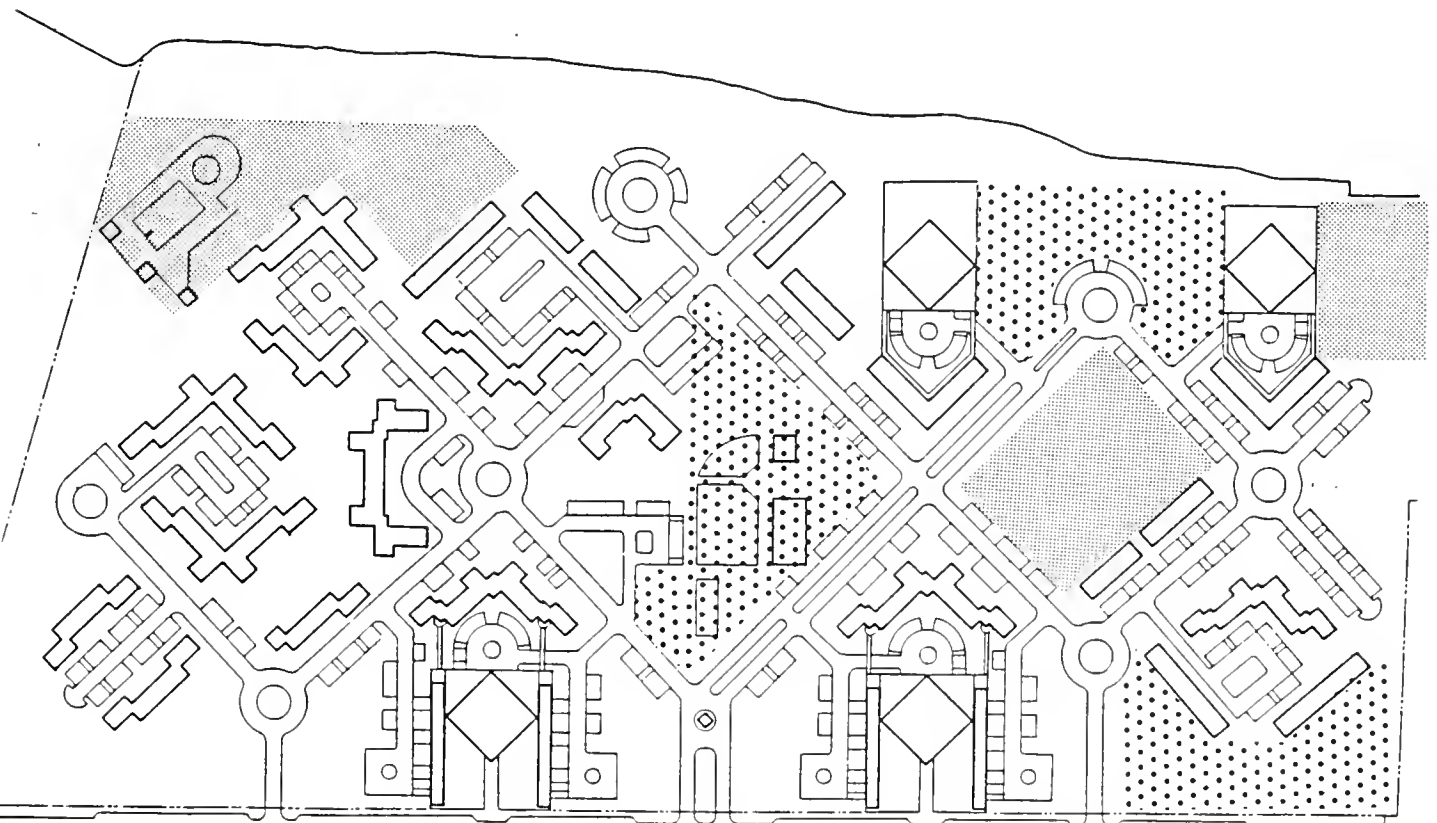
Reuse of Existing Buildings

The site plan endeavors to reuse the maximum number of existing buildings while reducing the mass and increasing the waterfront access. It also normalizes the building's relationship to the primary movement patterns, thus reinforcing the streetscape. Selective demolition is required to address the issue of image and provide the basis for the framework of the new context. Wherever possible, the pilings of demolished buildings are reused as part of the structural foundations of new construction. In some cases complete demolition and reuse of pilings is more cost effective than selective hand demolition of upper floors of buildings.

Existing buildings which remain must also undergo the same level of image transformation required for the site. These structures cannot retain the aura of public housing built in the 1950's but must complement their designated reuse and rental market. The low rise structures are reused as townhouses and their design expresses the individual addresses similar to that of row houses in Bay Village, Philadelphia, or Baltimore. The mid-rises are paired with new towers or townhouses to integrate their form into a new sub-neighborhood context and reduce their impact as large scale, repetitive isolated forms.



EXISTING BUILDINGS



..... Passive Recreation
..... Active Recreation

RECREATION AMENITIES

In both building types, the forms are simplified by removal of wings which are not usable for the layout of efficient apartments. This further reduces visual obstructions and reinforces the openness of the site.

Environmental Orientation

The wall of existing mid-rise buildings running northwest/southwest through the site throws a substantial portion of the development in shadow. The existing rotated buildings and apartment layouts create a large number of units with substantial northern exposure, exposing them to the prevailing winds without the benefit of direct sun, even at the upper floors. Shadowed open space between buildings is little used.

The reduced density of buildings in the proposed scheme, especially through the center of the site, allows maximum sunlight into the public outdoor spaces. Taller buildings are held at the edges so that no portion of the site is shaded for the entire day. The use of townhouse and duplex apartments allows all low and mid-rise units to enjoy through exposure both for sunlight and cross ventilation. Courtyards between buildings will have substantial light, encouraging their use and transformation to a focus of the sub-neighborhoods. Buildings and extensive planting at the northwest edge of the site will break the prevailing winds, also encouraging greater pedestrian use of the town center and other outdoor spaces.

Increased sunlight, reduced winds, direct water views, neighborhoods and activity centers will work in concert to create an animated and active open space system through the project and at the water's edge.

Nodal Development

Unlike the existing Columbia Point, which offers few services or activity centers, the proposed development will establish a network of activities throughout the complex. The town center, easily accessible especially to the elderly, will provide limited commercial space, social services, management offices and day care facilities. This focal point will serve as a symbolic town green which will provide an internal identity to the development. Specific sub-areas will work

off this center linking additional recreation spaces targeted to the needs of individual neighborhood populations including: playfields, tennis courts, swimming pools, sailing and tot lots.

The main entrance and primary circulation paths focus on the center and its relationship to the water. The main pedestrian axis crosses the "town green" and reinforces the visual link to the Kennedy Library. The concentration of activity, circulation, real and symbolic linkages to the water and accessibility will create a vibrant center for the entire revitalized development.

Recreation Space

The mix of recreation spaces ranges from private yards for family townhouses, to public pools, tennis courts and a playing field for the entire complex. The distribution of recreation activities will insure general use of the site while providing specific amenities associated with each sub-area.

Development along the waterfront will include a continuation of the path system from the University of Massachusetts for walking/biking and seating areas. Separate development will provide integration of a dock/marina facility to further animate the waters edge and create an additional amenity for the residents. Through a separate access, the marina and restaurant will also be accessible to the public, complementing the intensity without compromising the privacy of the development.

Individual yards and adjacent open play areas allow supervision of children from the family units and create an internal orientation which reinforces the sub-neighborhood identities. The proximity of the elderly building to the town center allows the residents to view the activity without being disturbed by it. Day care facilities and multi-service spaces located in the town center will draw residents from the entire complex, further enhancing its function as a central node.

Tower residents will be drawn to specific recreational facilities with controlled access such as: pool, tennis, exercise rooms, etc. Integrated on the garage decks and in the area between the waterfront towers, these activities

will provide greater surveillance for the waterfront without compromising the desired privacy of the tower residents. More limited facilities will be provided at the towers along Mt. Vernon Street where the need for public/private interplay is less desirable.

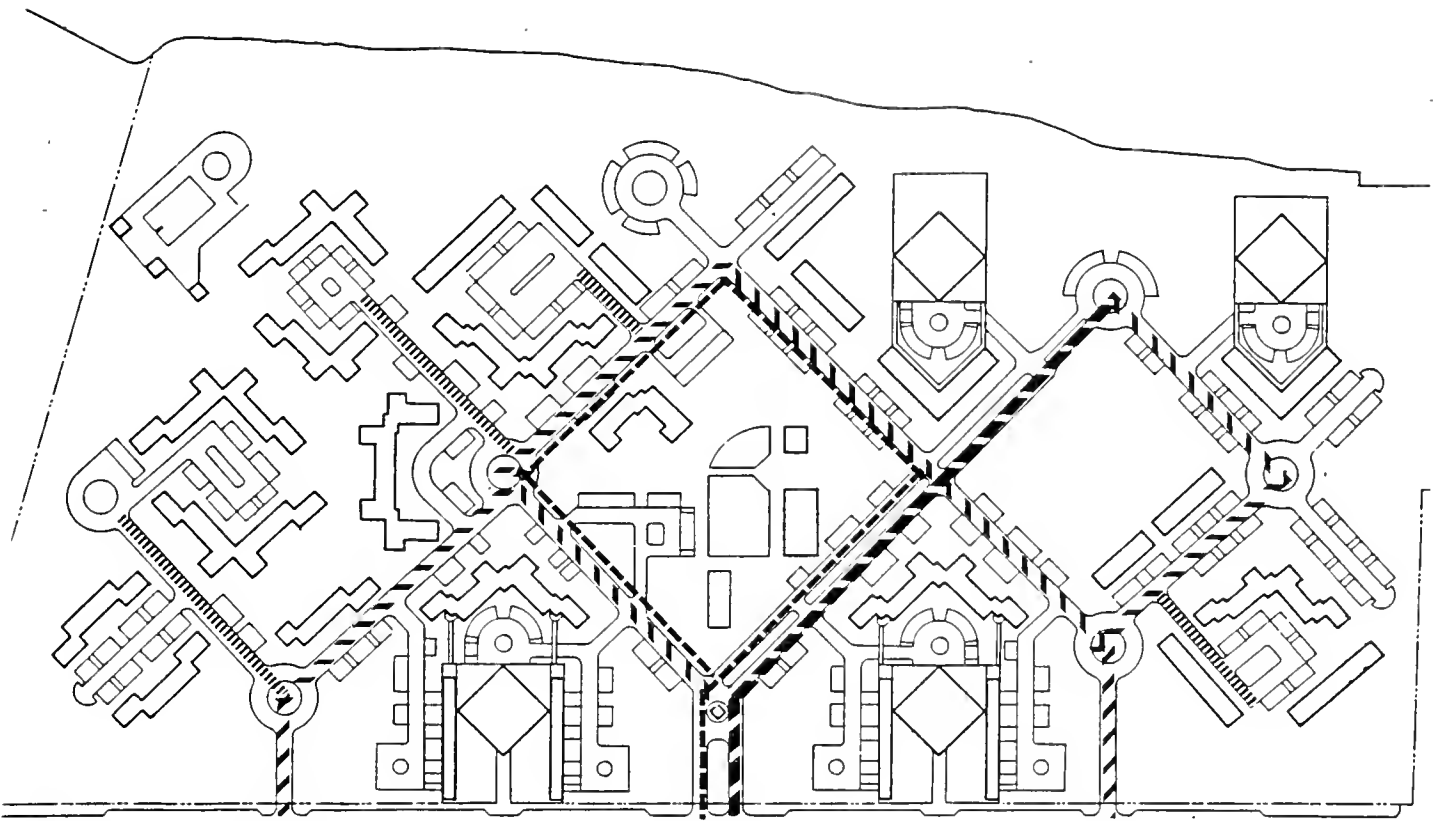
Circulation Hierarchy





The site is structured around two major circulation systems: (1) vehicular, which defines major and minor moves while reinforcing the identity of sub-neighborhoods, and (2) pedestrian, which connects the neighborhoods and recreation areas through the central axis and links to the waterfront.

Restricting access through the main entrance will increase the security of the complex. The east-west boulevard links the towers past the town center through a direct route which will handle the majority of cars without impact on family areas. Off this entrance and boulevard, local streets also circuiting the center and open spaces allow access to individual neighborhoods and parking courts. Traffic circles are used to reduce speed of moving traffic and resolve awkward intersections caused by the inherent geometry of the existing structures which are maintained. Parking, when provided along the streets, is defined by rows of trees and parking medians which segment it from the travel lanes. As such, it is possible to locate parking in immediate proximity to units and avoid the need for larger intrusive parking lots. Indoor parking is provided in garages in each tower's base and will also serve the mid-rises with which they are coupled.

Secondary access/exit from the complex is provided through gates which offer security while allowing limited controlled access to areas with larger numbers of children.

Pedestrian circulation is a primary means of linking the sub-neighborhoods with each other, the center, recreation facilities and the waterfront. Working off a spine that visually terminates at the Kennedy Library, residents will be able to orient to and make use of site amenities without the use of a car. Bridging the spine northwest of the center, the elderly building is integrated into it while simultaneously defining a separation between residential and non-residential areas.



-  Primary
-  Secondary
-  Neighborhood
-  Transit Bus Loop

VEHICULAR CIRCULATION

Transit accessibility will be improved by the modernization of the Kennedy Library/University of Massachusetts station with provision for a Braintree train platform. Shuttle buses circulating from the station around the town center can provide a vital link to the regional system. Improved Southeast Expressway access and the tie-in of Mt. Vernon Street to the traffic system on the rest of the peninsula will eliminate the vehicular isolation of the residential community.

New Image

The total of all these goals is not only intended to create a lively mixed residential community whose quality of life will be an attraction to its rental market, but also to transform the image of what is called Columbia Point so it, like the South End, Fort Point Channel and Charlestown can take its place among Boston's vibrant neighborhoods. While the basic environment and infrastructure in these areas has been held, the image change has been effected by a return to its historical character. At Columbia Point the underlying character is that of a housing project, requiring the changes and restructuring as previously discussed. The potential, however is the same.

The controlled entry, water accessibility, site amenities and improved environmental orientation will contribute to this change. New buildings coupled with the old and a re-definition of existing building form will combine with these to make the existing Columbia Point a historic memory as is the Boston Waterfront of the 1960's.

BUILDING RE-USE PROGRAM

As noted in the discussion of SITE DESIGN, the scheme endeavors to retain and reuse as many buildings as possible while effecting a significant image transformation. The physical characteristics of these buildings must reflect this new image by employing visual characteristics which integrate the new structures with the old. Each building type must acknowledge the identity and needs of its occupants and simultaneously reinforce the overall design framework of the development.

Low Rise Buildings

Family housing, inherently demands direct access, both private and public, to exterior spaces. Neighborhood identity coupled with the individual identity of private addresses strengthens the context of the family development. The existing low-rise buildings in the northwest area of the site afford the opportunity to establish these characteristics. Conversely those along Mt. Vernon Street due to their tight, rotated relationship to the street, present little opportunity to develop the kind of closure and identity fundamental to the family development concept.

The buildings in the Monticello/Montpelier area allow for east of vehicular access from secondary streets, minimizing conflict between cars and children living in the neighborhoods. Organized around parking courts, these neighborhoods also avoid through traffic. These landscaped courts not only provide adequate visitor and guest parking, but also serve as a neighborhood focus in much the same way as Louisburg Square or Union Park. This internal public focus also establishes a greater sense of security, real and perceived, through the large number of "eyes" overlooking the single space.

Private outdoor space is located behind each unit with direct access from individual living areas. These "backyards", which are grade separated and defined by landscaping or fences, provide secure play area for young children. To the extent possible, these back yards are contiguous with larger open spaces or recreational facilities for use by and supervision of older children or teenagers. The larger family units in this area of the site have the most immediate access to the swimming pool, tennis and basketball courts.

The existing three story brick buildings, in organization, form and articulation, are typical of public housing built in the 1950's, an image which has become synonymous with subsidized housing. Residents enter through common lobbies and proceed to undifferentiated units. There is no sense of individual identity or "turf". The numerous jogs in the building form frustrate surveillance and visibility throughout the site.

The proposed design, within the constraints of existing structure and fenestration, selectively removes unnecessary wings of the buildings and converts each block of anonymous flats into rows of individual townhouses. Each townhouse, designed with its own front stoop on the court, consists of three living floors and a basement. Each has a private yard in back and parking available directly in front.

Through modulation of the facade -- selective veneer and ornamental applications, elongated living room windows, cornice variations, etc. -- each unit is established as an individual address accommodating units with three and six bedrooms.

Integration in the facade design of materials and articulation used in the new buildings, will unify the visual characteristics of the development. Portions of the existing brick facades will be maintained as one of the stacked townhouse components. Cornice, ornamental details and fenestration patterns will be consistent between re-used and new low-rise structures. Materials and colors used in differentiating the vertical townhouse expression will be carried into the mid-rise and high-rise buildings, insuring a visual unity without the pitfall of monotony.

In order to insure a complete mix of family sizes, the units at the elbow between the two arms of the building are maintained as two bedroom flats with a shared yard in the exterior space, defined by the elbow. The integration of a range of unit types and provision of market level family units in excess of the number required to re-house existing residents will create a heterogeneous urban neighborhood whose character, both physical and social, recalls that of restored communities in Baltimore, Philadelphia and Boston's South End.

Town Center

The successful implementation of the "town center" will be a key factor in successfully changing the image of Columbia Point. Not only will it provide a set of non-residential amenities vital to the realization of the project, but it will incorporate the reuse of buildings which currently function as a negative focus of the project. The boiler plant with its stack, located at the heart of the site, is one of the few buildings which breaks the existing monotony of repetitive residential structures. However, it also blocks visual penetration of the center of the site on an axis which would otherwise focus on the Kennedy Library, a major symbol of the rejuvenation of the Peninsula.

While the boilers are in sound operating condition, it is believed that the steam system is inappropriate for use in this housing program. Its location lends itself as the center for activities which benefit the entire development. Through selective demolition and renovation, the Day Care and Youth Service Center will be located here to create a highly visible node of activity which will animate the center during the day. Removal of a portion of the building will allow continuous pedestrian access via a central spine throughout the site.

Building 8, with demolition of its extreme wings will provide commercial and office space to serve the residents. Located with convenient access to the elderly building, parking and transit links, and further enlivened with the introduction of water and landscaping, its plaza can become a major point of interaction between all residents of the site.

Handicapped accessibility will be provided for all major functions in the town center.

Mid-Rise Buildings

The existing mid-rise buildings are characterized by many of the problems inherent in the low rise, especially an overwhelming image of public housing. Their mass and siting, primarily down the center of the project, make them visually meld into an impenetrable wall. However, they do represent an opportunity to accommodate a large number of units at a lower cost per square foot.

To reconcile these conflicting attributes, the proposed development reuses 50% of the mid-rise structures by joining them with major components of the new construction to meet the desired unit count and mix. Typically grouped in a pair with new structures, either townhouse or tower, the mid-rises draw elements of design from each and become a critical link in the visual relationship among these otherwise disparate buildings. Their coupling with new buildings allows the creation of mixed sub-neighborhoods around a common court. Selective demolition of whole buildings or wings is necessary to accomplish the overall image change and characteristics of the site previously described. Demolition of building wings also removes floor areas which would result in awkward living units.

The use of a basic palette of materials and articulation allows the mid-rise to work comfortably in both situations and reinforce the inherent qualities of each.

The internal organization of the mid-rise buildings focuses on the creation of ground related duplex townhouses on the lower floors, providing private yards and addresses for family units without conflicting with the access to the upper story 2 bedroom units. Similar to the low-rise townhouses, these units have parking directly in front. Here, however, the private yard is in the front with the shared court in the rear. Typically three-bedroom units, these townhouses will sustain the animation and family distribution throughout the site while providing the individual identity and outdoor space desired for each unit.

The upper 6 floors (5 existing, 1 new) are comprised primarily of two-bedroom duplexes between the cores with access by corridors on alternate floors. The area beyond the cores is used for two-bedroom flats on each floor with access directly at the core. The duplex with end flat organization allows all units the opportunity of through ventilation and views and reduces the amount of public area to be supervised and maintained.

The corridors and apartment service elements (bathrooms and kitchens) are on the courtyard face of the structure to provide maximum view and openness from the living spaces oriented toward the central spine of the project. The court face of the mid-rise is clad in color bands which generate from the linear corridors and the desire to provide an articulation of the facade to break up air movement down this face to

the court below. Similar material and detail treatment will carry across the top to enclose the new construction between cores and cap the building to carry the bands expressed on the court facade to the top of the front facade. The remaining facade areas retain the existing brick with punch-out windows giving greater articulation and interest to these elevations and tying it to the visual character of the townhouses below and elsewhere on the site.

The central knuckle of these buildings, where the core is removed, will be opened as a pass through giving access to the court at the townhouse floors. On the upper corridor floors this area will be used for laundry facilities and common lounges. Elevators will be retained at the existing end cores which will link to the parking garage for direct access by residents to their cars. Ground floor lobbies are entered from the court to maintain separation from the townhouse front yards.

The elderly building, formed by linking portions of buildings 7 and 10 will be developed from the same vocabulary, maintaining its image within the complex. Open space at the base will allow outdoor seating areas which participate in the central pedestrian spine which passes below the link between the two buildings.

The dramatic interplay of new/old, high-rise/low-rise expressions enables the mid-rise buildings to unify the new development as emphatically as they now divide the old one.

NEW BUILDING PROGRAM

The final design intent is the integration of new construction into the overall plan and context of the site. New low-rise and mid-rise buildings will be designed within the vocabulary used to transform the existing structures. New mid-rise structures will also fit the basic patterns of the plan and mix of units -- (three-bedroom townhouses at the base, two-bedroom skip-stop duplexes above), new low-rise, a mix of four- and five-bedroom townhouses, and stacked three-bedroom duplexes deliberately sited to distribute large family units throughout the site. The upper duplexes have direct street entry via internal stairs leading from a pair of units. Visible play areas are available to the upper units in adjacent large open areas. Private yards are provided to the lower units.

The four new towers and parking garages are coupled with new or reused mid-rises to set the tone of formal integration of the old and new Columbia Point. Garages at the base of the towers accommodate 320 cars to provide adequate indoor parking for each building pair. On Mt. Vernon Street, these garages are flanked by three- and four-bedroom townhouses, to reduce their impact on the street and to set the design image at the first encounter with the site.

The tower, rotated to the geometry of the existing site, stands above the recreational deck on the garage. Clad and banded in response to the flanking court-side design of the mid-rise, the windows toward the court are recessed to break up the wind shear along its face. The other faces have a flush skin which continues the banding as an articulation of color to reduce the perceived vertical scale of the towers.

Typical tower floors have a mix of 6 two-bedroom and 4 one-bedroom units. Each floor is provided with a laundry room. Double height spaces at the top of each tower will provide community facilities for use by residents: function room, health club, etc. The pair of towers at the water's edge also incorporate a complex of tennis courts, pool and decks to increase the vitality and security of the water.

The reshaped site plan and transformation of existing buildings establish a new image of the Columbia Point complex from within. The towers reinforce the new internal spine that terminates at the Kennedy Library and visually organizes the complex and creates a new vista of the Columbia Point Peninsula from the Harbor, downtown Boston and the University of Massachusetts. The careful integration of new and existing structures into a transformed and revitalized landscape will provide the physical bridge between Columbia Point as originally planned and the new community which is the object of this process.

SPECIFIC DESIGN RESPONSES

In order to achieve its intended level of success, the design must respond to several key issues:

- Create a cohesive mixed-income community, suitable for family living
- Provide private internal access to open space and recreational facilities
- Integrate into the context of the Peninsula and the fabric of the City
- Provide for residential and site security

Mixed Income Family Community

The design provides for a mix of family sizes and incomes in all areas of the development. Larger families are incorporated in buildings, new and re-used, throughout the site. Adequate units are provided to accommodate market level mix. Family units, as previously noted, are located near open space or recreation facilities with sub-neighborhood amenities occurring in all areas of the site.

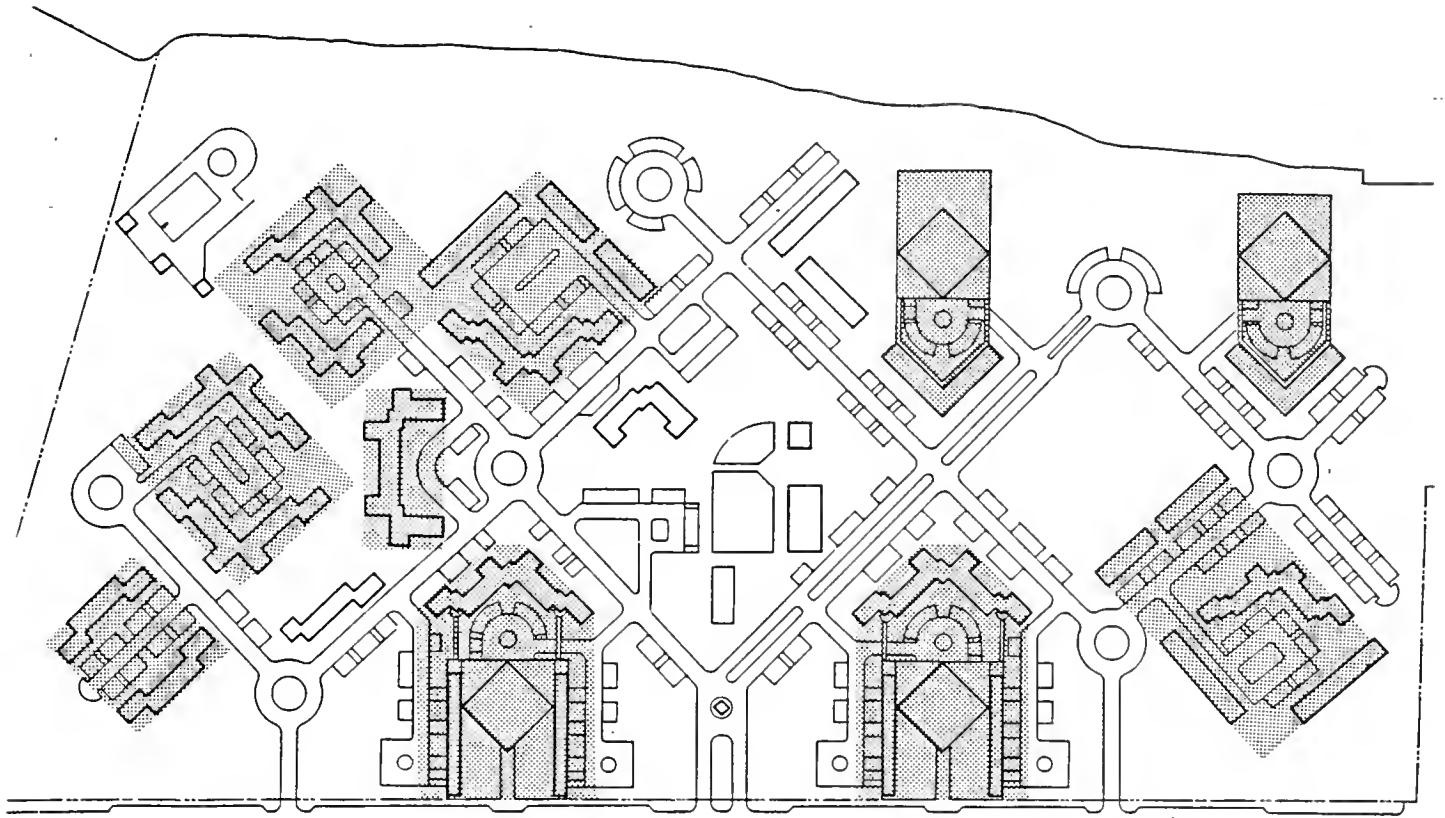
In all cases, family units have direct ground access without relying on public internal circulation spaces (elevators or corridors). One and two-bedroom units have separate building access in the mid-rise buildings. The high-rise buildings have separate, controlled lobbies to insure residential security and privacy.

Convenience, quality environment, waterfront access and views, and recreational amenities provide a draw for middle/upper income residents. The combination of these qualities is rare in developments within easy access to the center city. Combined with the development's security and ease of parking, these assets will make Columbia Point a desirable location for residents of all income levels.

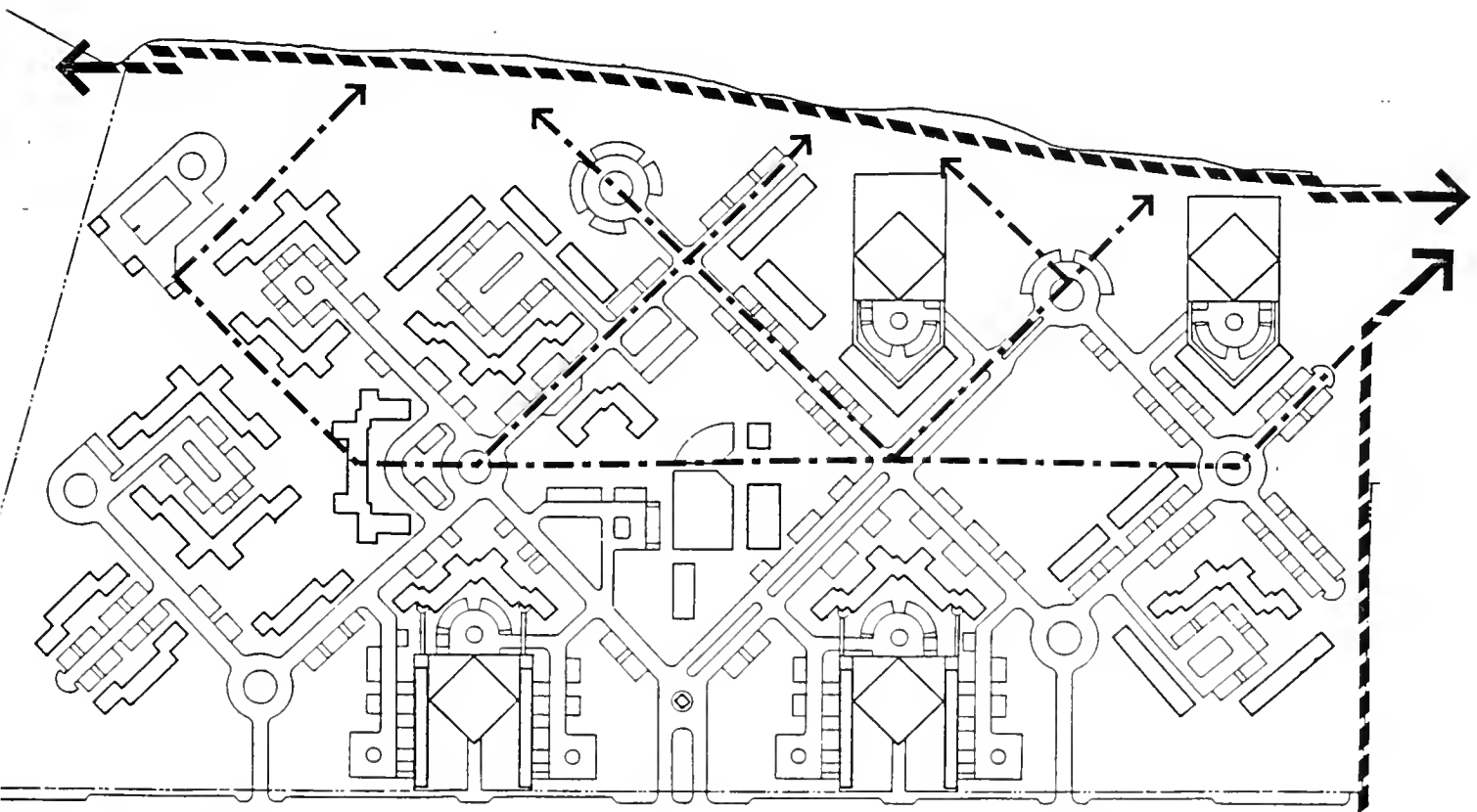
The town center recreation facilities and waterfront areas provide space and activities which can be shared by all residents, while allowing the maintenance of sub-neighborhood and unit identity necessary for establishing a sense of the individual within the community.

Internal Waterfront and Site Access

Entry to the complex is controlled at the main gate to provide a separate identity and circulation system for the residential community. Major recreational facilities are accessible to all residents and located so that they are not



SUB NEIGHBORHOODS



Public
Private

WATERFRONT ACCESS

identified with only one neighborhood. However, surveillance is provided by their proximity to and visibility from a specific set of buildings.

A clear pedestrian network, off the central spine, connects these facilities and provides internal access to the waterfront open space and path system. Visual accessibility will retain the waterfront as part of the daily experience of residents. Public access to the waterfront is available along the path system continuing from the University of Massachusetts and the Kennedy Library. Where the path passes by the site, the landscaping and grade change will indicate the separation of the private development from public access; but not create a physical barrier from the site.

The planned future marina/restaurant would be served through a public access road without entering into the residential development.

With dramatic views of the water and skyline, the marina could provide convenient boating facilities within easy access of downtown which would contribute to the level of water activity to be viewed from the restaurant and its outdoor decks. A pedestrian link would be provided between the residential and marina complexes to allow convenience for tenants without opening up the site to restaurant traffic or parking. The marina, its boats and dock facilities would further animate the water's edge and create a higher level of activity to increase pedestrian security and surveillance. Boats, under full sail rounding the final mark of a Sunday morning race, would attract residents and the public into a shared experience, reinforcing the transformation of Columbia Point.

Urban Integration

While separated from the general public institutions on the Peninsula, the new mixed housing will be a critical element in completion of development of the entire Peninsula. The University of Massachusetts, the Kennedy Library, the State Archives and the Exposition Center provide a prominence to Columbia Point which did not exist as recently as five years ago. All these facilities attract a population which leaves the area each night creating a sense not dissimilar from Government Center before Quincy Market. The superimposition

of a stable residential community will aid the existing institutions to expand their activities and attractiveness as a destination both day and night while also providing a residential interplay for mutual support.

It is also anticipated that the elimination of the blighting influence of the housing project and its replacement by a stable residential population will encourage appropriate development of commercial, professional/service facilities on other parcels within the Peninsula. This will increase the City tax base and create a permanent integration into the urban context.

The redevelopment of Columbia Point will also engage a critical link in the waterfront path system from Savin Hill to Castle Island. Its safe, pleasant continuation past the site will encourage greater waterfront use by all residents of the southern districts of the City.

Security

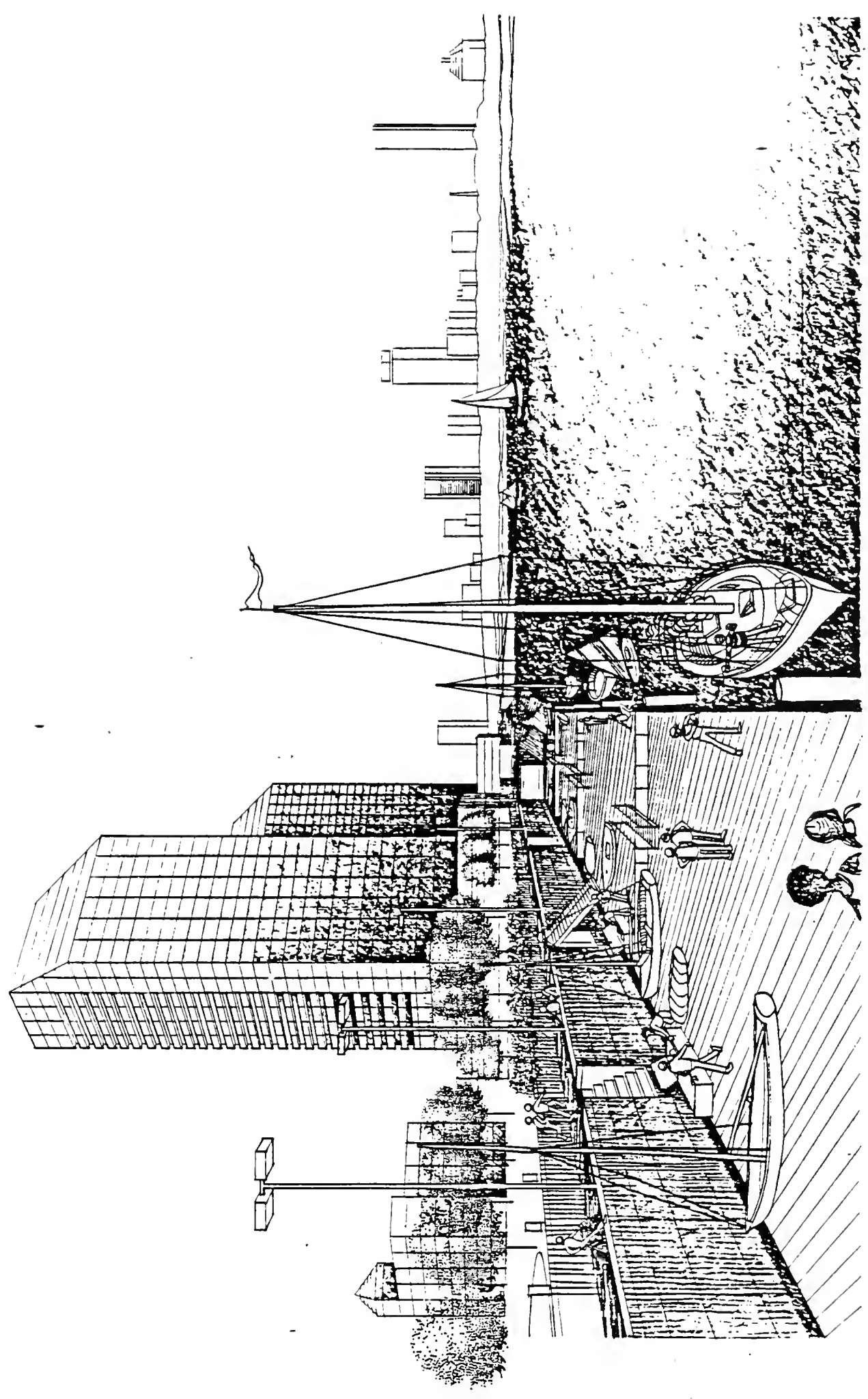
The sense of security is as dependent on its perception as it is on technological tools and patrols. The development and management plans deal with secured access, building concierges, and ongoing security installations and procedures. It goes without saying that the site will be well lit and landscaped to prevent unsurveilled spaces.

It is the intent of the design to go one step further to increase the perception of security so that residents feel safe beyond relying on guards or patrols. The creation of view corridors through the site increases the general visibility. The grouping of housing to form sub-neighborhoods and courts provides security through identifiable communities; neighbors who know each other can discern unusual activity in their environs.

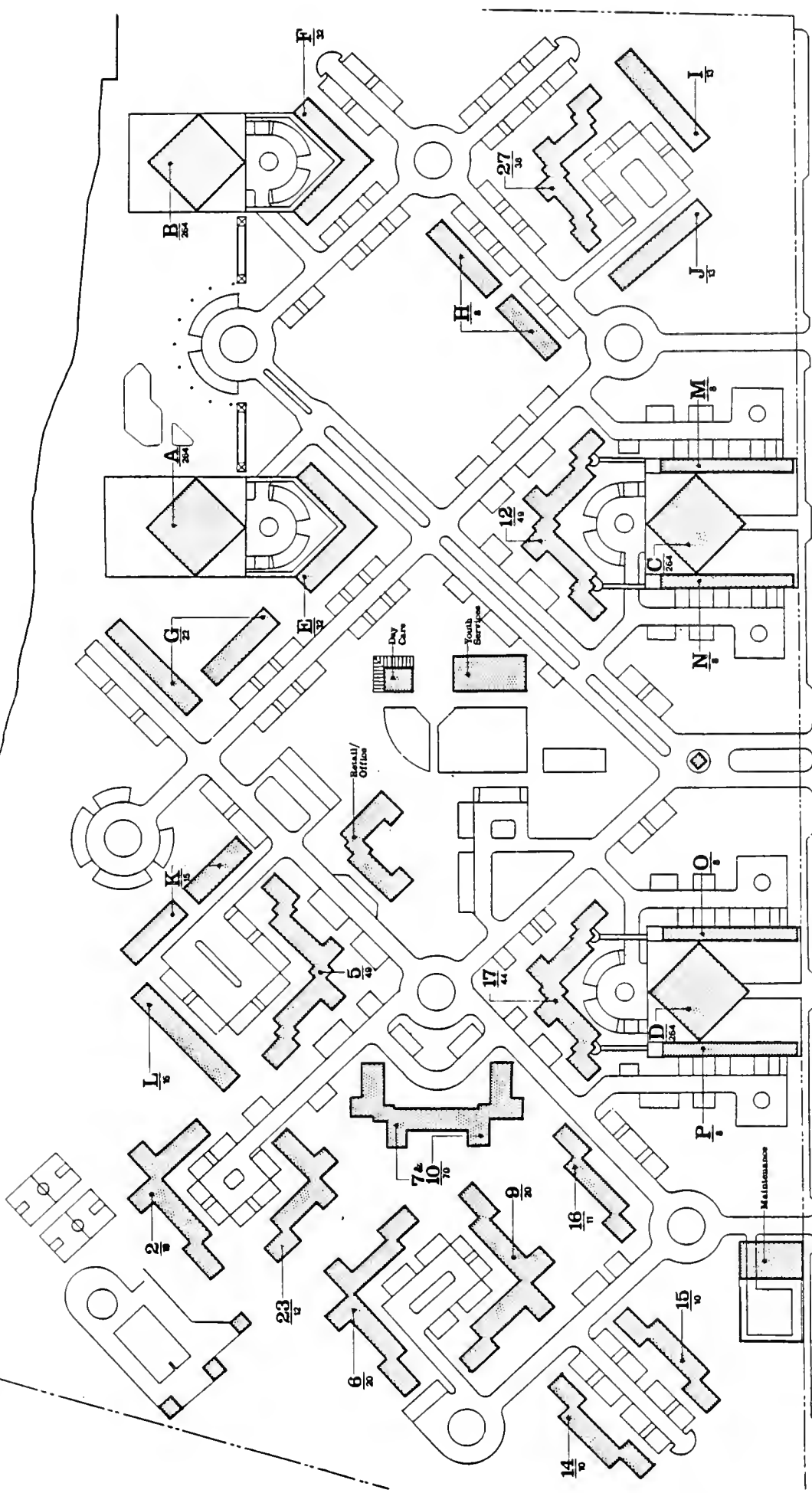
The realization that other residents can and will see beyond their units as they go about their daily routines conveys a sense of safety. The establishment of individual townhouses minimizes the risk of vandalism or theft from random access to common interior corridors. Where building entrances are required, conventional security precautions will be provided such as attendants, intercom or TV surveillance.

As previously noted, recreation facilities and the water-front walk are located where they can be readily seen from neighboring units or incorporated into a density of activity which minimizes the risk of singular vulnerability.

The single most important aspect of perceived security is the sense of community to which the design contributes but cannot dictate. The successful implementation of marketing to attract a heterogenous population mix and management plan to provide and maintain resident services and ammenities will work with the design in establishing the new Columbia Point as a desirable, secure community in which to live.



Perspective from Dock



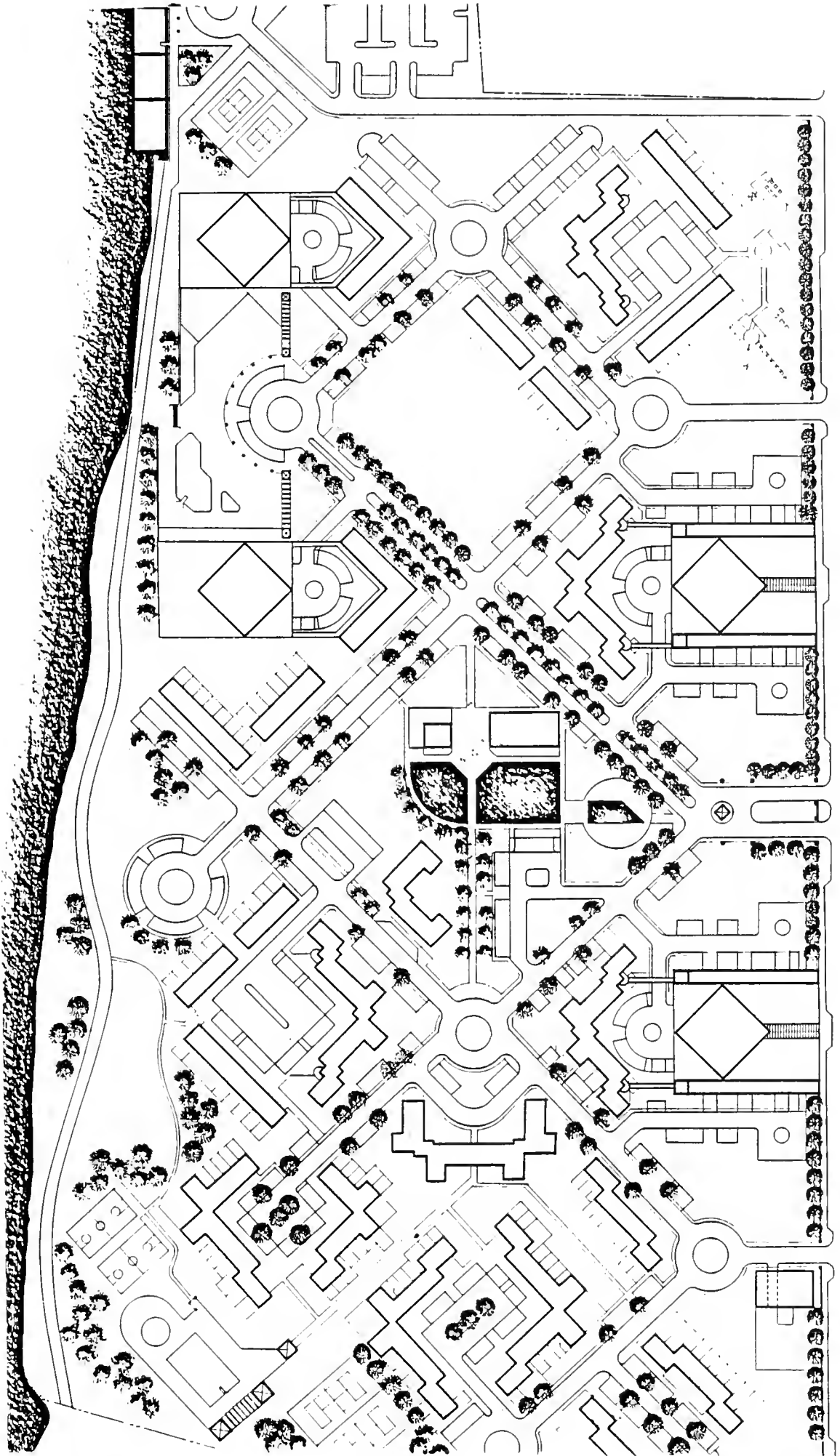
NEW CONSTRUCTION

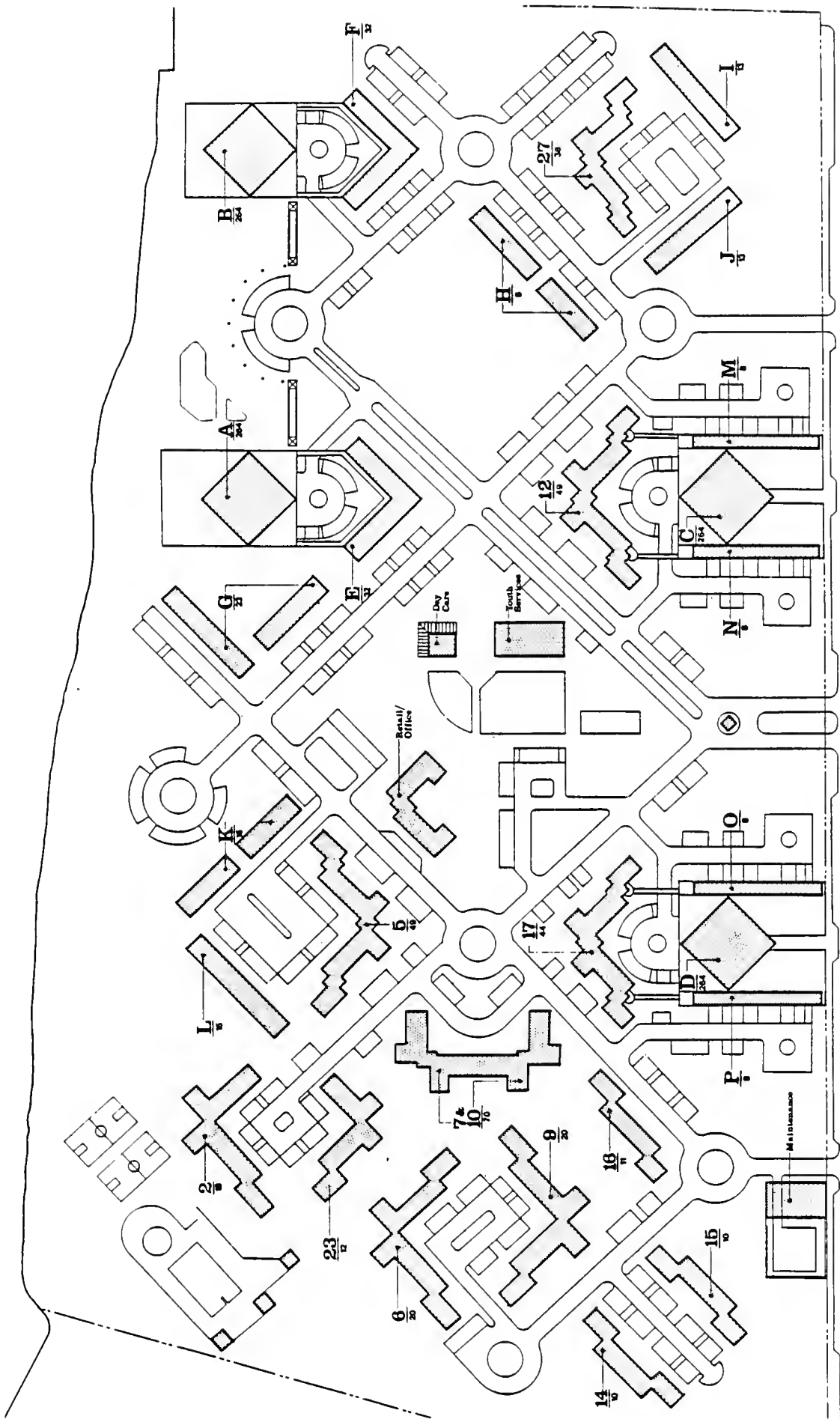
Building Type	Building Unit	Unit Type										Total			
		1F	2F	2T	2D	3T	3D	4T	6T	6T	6T				
High Rise	A 104	60													264
	B 104	60													264
	C 104	60													264
Mid Rise	D 20	8													32
	E 20	8													32
Low Rise	F 4	20	6												23
	G 14	4													18
	H 14	4													18
	I 10	3													13
	J 10	3													13
	K 10	6													16
	L 12	3													15
	M 4	4													6
	N 4	4													6
	O 4	4													6
	P 4	4													6
Total		416	640	6	40	32	74	18	21	7					1249

REUSE

Building Type	Building Number	Unit Type										Total			
		8F	2F	2T	2D	3T	3D	4T	5T	6T	8T				
Low Rise	8	8													18
	8B	6													12
	8	6													20
	8	6													20
	14	6													10
	15	6													10
	16	6													11
Mid Rise	7/10	66	4												70
	6	12	1	24	9	3									49
	17	12	1	21	7	3									44
	18	12	1	24	9	3									49
	27	9	9	1	12	7									38
Total		75	67	4	61	57	9	47	4	7					351
Site Unit Totals		102	267	30	336	407	50	60	60	60					1600

Unit Tabulation
COLUMBIA POINT
 HI Corporation
 Sulf Associates Inc.
 Architect
 Contrace
 Barban Construction Co. Inc.
 February 1983



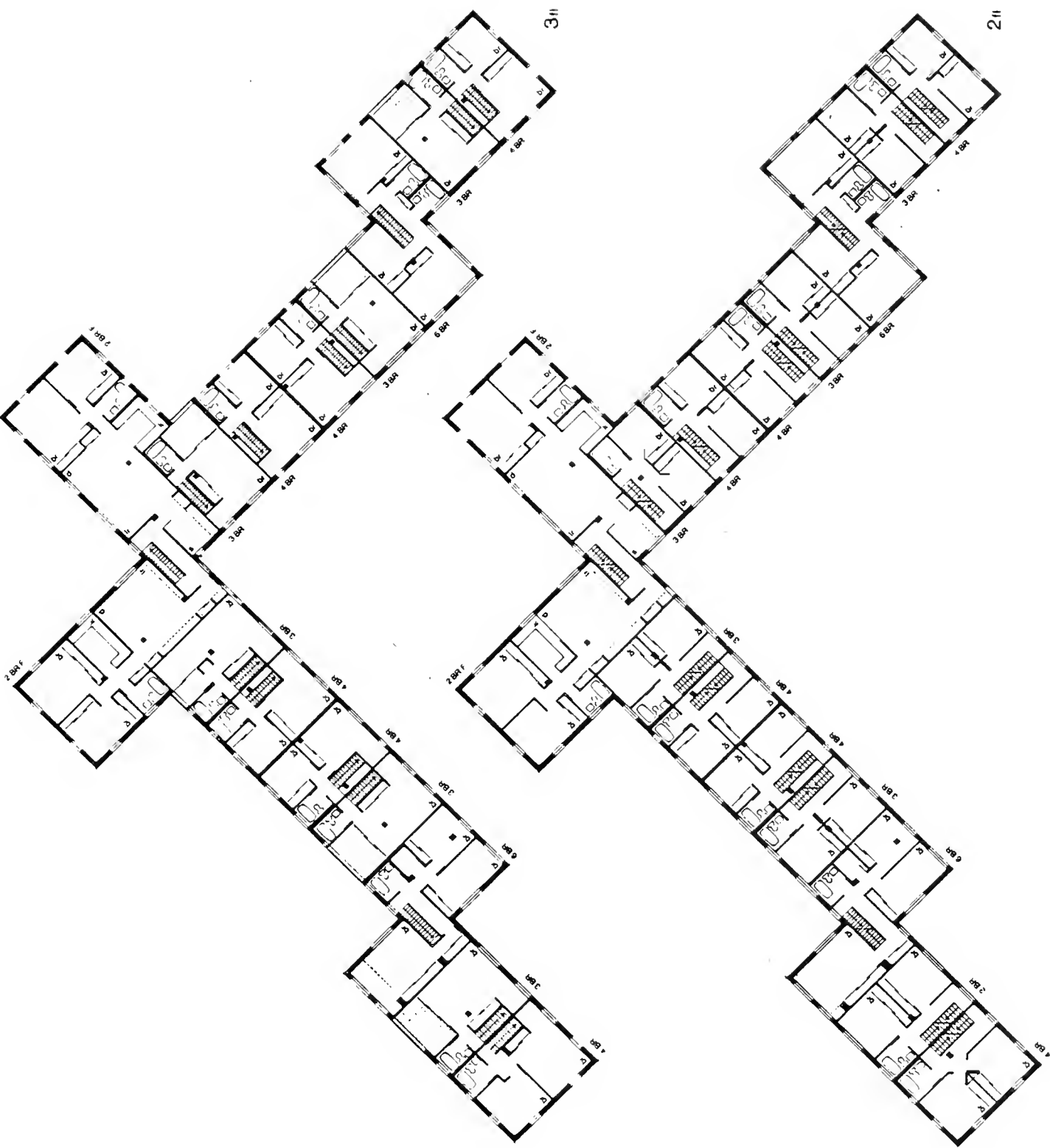
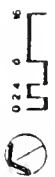


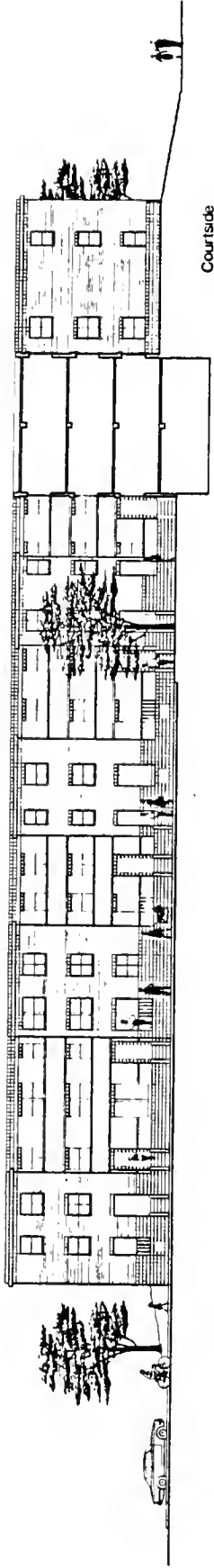
Demolition Plan



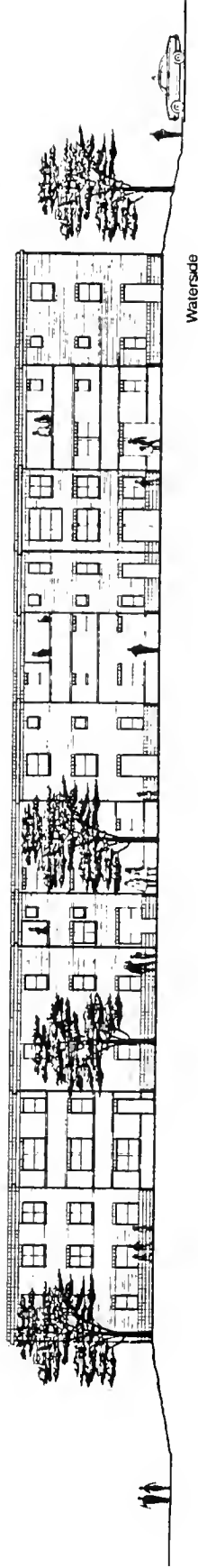


Building 6

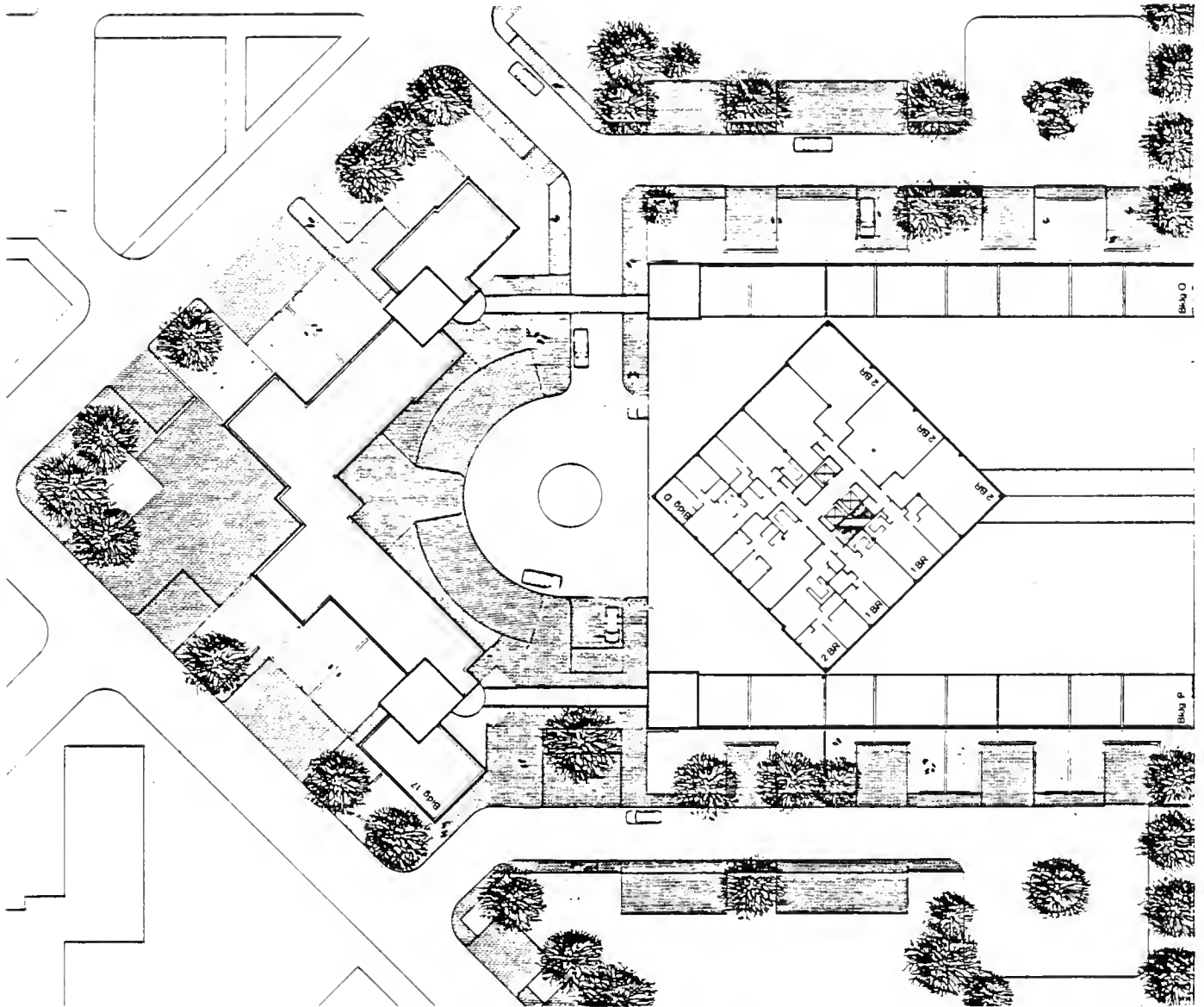


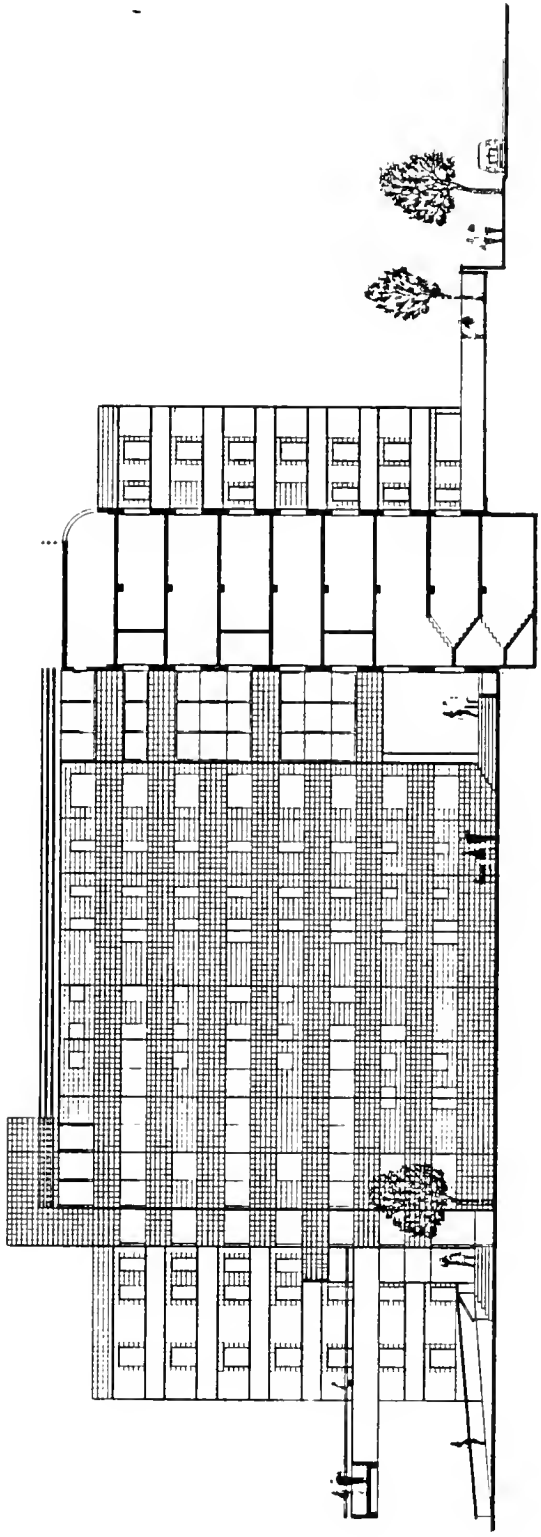


Courtside



Waterside





Midrise Elevation

Management Program

INTERIM MANAGEMENT PLAN FOR THE
EXISTING PUBLIC HOUSING UNITS

Upon its designation as the developer for Columbia Point, HII Corporation, and its Management Agent, the Joint Venture between TSI Management Services, Inc. and Niles Company, will immediately commence the process of assuming management responsibility pursuant to the standard private Management Agreement with the Boston Housing Authority. Both HII and the Management Agent believe that, by assuming management responsibility as early as possible, the overall development process will be enhanced through a clearer understanding of the special needs of the existing residents in terms of unit mix, amenities, and services, as well as of the specific limitations of the existing buildings. In addition, this role will allow the Management Agent and the Owner an opportunity to build a working relationship with the community which will be absolutely necessary to the success of the development process.

As a first step, each of the programs which have been identified in this proposal -- especially the Management Plan, the Relocation Plan, and the Affirmative Action Program, must be reviewed with the Columbia Point Community Task Force, Inc., the Boston Housing Authority and the Boston Redevelopment Authority and must be refined and altered in a form mutually acceptable to each of the parties. These programs establish the framework pursuant to which this development will be managed, the families relocated and the Affirmative Action Objectives achieved. Any areas of potential misunderstanding should be clarified up front so that the interim management, development and construction processes can move ahead as smoothly as possible. As soon as the issues relating to the Management Agreement and the programs noted above (which will be incorporated in the Management Agreement) are resolved, the Management Agent will enter into the Management Agreement with the Boston Housing Authority and will assume, in conjunction with the developer, responsibility for all management functions covered in the Agreement.

The Management Agent will assume responsibility for the total development until the initial mortgage closing and the start of reconstruction, at which time, the Boston Housing Authority will deed to the developer all those buildings and parcels included in Stage I. The remaining land and buildings

which will include all of the currently occupied buildings, will be covered by the terms of the Management Agreement with the Boston Housing Authority. As buildings and parcels are deeded over to the developer for the initiation of construction in the ensuing stages, they will be deleted from the Management Agreement. Completed units will be managed pursuant to an agreement between the Management Agent and the Owner. These completed units, of course, will become relocation resources for the existing tenants in the existing buildings allowing construction to begin on them. It is anticipated that all of the residents will be relocated into new or rehabilitated units within 26 months from the start of construction, and, at that time, the Interim Management Agreement will cease to exist.

Although the basic format of the Boston Housing Authority standard private Management Agreement adequately details the relationship between the Owner and Agent, the relationship between the Boston Housing Authority and the Managing Agent during the interim phase must be recognized as unique. Therefore, the terms of the Management Agreement will require some latitude and flexibility in order for the parties to operate effectively, and, hence, the following changes are recommended.

Section 1.5.4

The indemnification provisions require clarification.

Section 1.7.2

The management fee should be fixed on a per unit basis. The proposed budget assumes a rate of \$236 per unit per year.

Section 1.8-1.8.9

It is imperative that the transition from a public housing authority owned development to a privately owned development begin immediately. Therefore, the use of BHA services will be curtailed or severely limited, unless the services represent substantial savings to the development.

Because of the size of the proposed staffing, the management office must be larger than a one-bedroom unit but will conform to the facilities available at the site.

Section 2.2.2

Enforcement of leases requires strict rent collection policies and strong management. "Direct Vendor Payments"

from the Welfare Department do not assist in the enforcement of leases. This statement should be deleted.

Section 2.3

The Agreement states that the Authority will bill for rents and that the Agent will be responsible for collections. Management will be able to maintain closer control and greater efficiency if Management bills as well as collects.

Section 3.2

During the interim phase, we will not be renting units. Only relocations and transfers will be done to assist in the overall construction plan. Therefore, the Tenant Selection and Assignment Plan will apply only as it relates to the above activities.

Section 4.6.3

This section regarding single purchases of \$2,000 and over should be clarified to ensure that the Authority's response will be prompt.

With respect to the interim management period, our experience with these types of properties is that the per unit operating cost for Columbia Point will be approximately \$3,835 per unit per year excluding debt service, replacement reserve, and taxes. An annual budget, assuming occupancy of 356 units under interim management will be:

Income:		\$ 483,875*
Expenses:		
Administrative	\$213,000	
Operating	240,000	
Security	250,000	
Insurance	36,000	
Repairs and maintenance	320,000	
Utilities	<u>475,000</u>	
Total		<u>1,534,000</u>
Net Loss:		<u>(1,050,125)</u>

*This figure assumes a 4% increase of the current rent roll of \$38,772/month.

Assuming that all of the tenants will be relocated within 26 months of the start of construction, the deficit during

this period will be \$1,676,947 in today's dollars. Prior to the start of construction, the losses will accumulate on a pro rata basis except for seasonal fluctuations. Finally, with respect to this budget, the following salary scales have been assumed:

Property Manager	\$15,000-18,000
Asst. Property Mgr/Soc. Ser. Dir.	12,000-15,000
Bookkeeper	11,000-12,000
Receptionist/Typist	10,000-12,000
Maintenance Supervisor	18,000-20,000
2 Maintenance Men	30,000
4 Janitors	35,000

The program which is reflected in the budget for routine and preventive maintenance will include:

Routine maintenance (including custodial) is that level of maintenance performed on a regular basis which is required to achieve cleanliness and decent conditions both within the buildings and on the grounds.

Preventive maintenance is that level of maintenance that is required to prevent more serious corrective actions through the undertaking of scheduled activities that will keep the item or system in good repair, i.e., the preventive maintenance of the mechanical systems (heating, water supply, elevator, etc.). Regular inspection of non-mechanical areas and the performance of basic repairs shall be similarly undertaken to prevent the need for more extensive corrective actions at a future date. In addition, routine apartment inspections will be conducted by the Management staff to determine if there are unreported maintenance items or problems within the units that may require attention.

Repairs are those actions that are either requested by the tenant or observed by Management in the course of apartment inspections of interior and exterior public areas and equipment. Also included in the latter are failures of mechanical systems or damages that have been sustained by the building, grounds or equipment. Repairs are of two levels -- those which can be performed by on-staff personnel and those requiring outside services to bring the item back into good service or condition. Every reasonable effort shall be used to avoid the use of outside services in the interest of operating economies. Such will be accomplished by maintaining equipment in good condition through preventive maintenance scheduling; orientation of the tenants on the proper opera-

tions of mechanical and other items; and by the institution of training programs that will increase the skills of custodial personnel to perform maintenance level duties.

To achieve the above objectives, the following maintenance schedule will be utilized:

(1) Daily

- (a) Clean exterior grounds
- (b) Clean around dumpster areas
- (c) Clean public landings on all floors of each building
- (d) Sweep stairwells
- (e) Police grounds and sitting areas for paper and other debris
- (f) Sweep and dust management office
- (g) Empty public trash containers

(2) Weekly

- (a) Remove graffiti from walls
- (b) Dust light fixtures

(3) As Required

- (a) Sweep community rooms on days following use; mop bi-weekly, unless required more frequently
- (b) Change light bulbs in public areas (indoors and out) on an established light-bulbing schedule
- (c) Dust walls and fixtures in public halls weekly
- (d) Monitor the existing heating system continuously

(4) Quarterly

- (a) Extermination of common areas and problem units
- (b) Review inventory

(5) Other Activities

- (a) Perform apartment repairs as requested and assigned on a daily basis
- (b) Seasonal grounds maintenance (snow removal, lawn and shrubbery care).
- (c) Maintenance of outdoor recreation equipment
- (d) Inspection of appliances (refrigerators and stoves)
- (e) Train maintenance staff in operation of equipment
- (f) Assist in the cleaning of apartments related to tenant moves

Inspection of residential and non-residential areas shall be performed by the Property Manager and maintenance personnel who will be trained to visually inspect all areas of the buildings and grounds in the course of performing their normal duties on a day-to-day basis.

Through prompt attention to minor repairs in individual units, more serious and expensive maintenance problems can be averted. Minor repairs result from damages and/or breakdowns in systems that are beyond normal tenant repair capabilities and require the services of the maintenance staff. Repairs that require the services of an outside firm because of the complexity of the problem and possible residual effect of the damages or breakdown upon other areas of the building or systems with it, shall be generally defined as major.

Within this context, an inefficient reporting system is one of the primary causes of tenant inability to obtain required assistance. The following outlines the procedure to assure proper service to tenant repair needs.

-- Repair service will be initiated by request in writing, in person or by telephone from resident for service. The Management Office will normally be open from 9:00 a.m. to 5:00 P.M., Monday through Friday, at which time either the Property Manager or Assistant Property Manager will receive the request. After 5:00 P.M., on weekends and holidays,

Management will utilize an answering service to refer emergency calls to the Maintenance Supervisor and Property Manager. Routine maintenance calls will be held over to the next working day.

In either instance, the Management Office will complete a work order form in triplicate for each maintenance request. The form completed in triplicate will indicate the resident's name, the apartment number and specific description of the problem. The original copy of the work order will be distributed to a maintenance man and the pink copy will be retained by the Property Manager and the yellow copy by the Maintenance Supervisor. At the same time that a request is written on a work order, the Property Manager will record it in the Maintenance log indicating work order number, resident name, address, complaint, date and time of call. Once work is completed, the Maintenance man will get the signature of the resident on the work order. The Maintenance men will turn in their work orders on a daily basis to the Maintenance Supervisor for his review. The Maintenance Supervisor will mark down stock used and hours required to complete the job. He will then turn the slips into the Property Manager for review. The Property Manager will record in the work log the work done, the man assigned, the length of time for completion and whether or not the resident signed the work order. The Property Manager will record the above information on the pink copy of the work order and file it in the resident's file. The Maintenance Supervisor will match up the original and yellow copies of the work orders when completed and file them in a building file.

-- Repairs will be performed when the resident is not at home, if such authority is indicated on the request form. If not, Maintenance will leave a note requesting the resident to call the office when they will be home.

Depending upon the extent of service requests, repairs may be made on Saturday mornings. Generally, all service requests will be performed during the normal work day. Only emergency situations will be attended after 5:00 P.M. and after 12:00 Noon on Saturdays and Sundays.

In addition to the above-mentioned reporting system, Management has developed several methods of monitoring maintenance performance including a Weekly Maintenance Telephone Survey of residents who have had work done in their apartments and a review of Maintenance Response Time.

The security plan which is included in the proposed budget will be approached on the following levels:

1. Physical securing of property

Management will secure building entries and exits. Special attention will be given to basement doors and windows and to unoccupied buildings.

2. Orientation of residents to security

Management will arrange building meetings to discuss security measures for individual residents. Such meetings will allow residents to get to know each other and thus provide each other some security. In addition, security information will be shared with the residents through newsletters and special mailings.

3. Contact with local police

Management will early on establish contact with the local police force to solicit their support and cooperation. Representatives of the police force will be invited to attend resident meetings on a regular basis.

4. Patrols

Management will provide a roving security team that will patrol the occupied and unoccupied sites both by automobile and on foot. We have anticipated that this security service will be necessary twenty-four hours, seven days a week. As buildings are turned over to construction to begin rehabilitation, this cost will be shared by the contractor -- reducing the cost of security during the interim phase of management on a gradual scale.

PERMANENT MANAGEMENT PLAN

Introduction

TSI Management Services, Inc. and Niles Company, Inc. will, as a joint venture, provide the management services for the new Columbia Point development. These two firms, with somewhat different backgrounds, will apply their strengths so that the development and the residents will benefit. Both firms believe that the essence of good management is providing good services and an immaculately-maintained development to the tenants whether they be low, moderate or upper income. In order to assure that this relationship functions effectively, both TSI Management Services, Inc. ("TSI") and Niles Company, Inc. ("Niles") believe that one company must assume responsibility for coordinating all aspects of management. TSI will take this lead role and will integrate those functions which it is assuming and those functions which Niles is assuming in the overall management package.

For instance, TSI will be responsible for the day-to-day property management activities, including accounting and, hence, all administrative and service personnel will be employees of TSI and will report to the TSI property managers. TSI will also be responsible for the relocation process with which it has had broad experience in conjunction with several developments which it is currently managing. Niles, on the other hand, will have primary responsibility for establishing and managing the marketing program for the moderate income and market rate housing, in which it has substantial experience. This role is envisioned to continue not only through the initial rent-up period, but on an ongoing basis as well. In addition, Niles, in conjunction with TSI, will be responsible for establishing a program for the maintenance of the mechanical systems and the standards and procedures for the cleaning and the care of all public areas -- as well as the standards and procedures and the maintenance of the units and all other parts of the premises. This plan will include schedules and will determine whether different elements of the maintenance program can be handled more efficiently by in-house staff or by outside contractors. Niles will continually monitor the operation of the mechanical systems, will provide a service manual for the project, and will provide an ongoing training program for the maintenance and janitorial personnel which will include job descriptions for these personnel.

This Management Plan is intended to be a working document for both the Owners and the Managing Agent -- the joint venture between TSI and Niles. It is designed to insure that the Owner's objectives with respect to the property are understood and met in an orderly and mutually agreed upon manner.

OWNER'S OBJECTIVES

The proposed development at Columbia Point will include 1600 apartment units of which 400 will be for low income families, 280 will be sold as condominium units to moderate income families, and the balance will be leased to families at market rates. This development will also include recreational facilities, special activities designed for the residents, as well as a "town center" where commercial facilities, offices and social services will be located. In order for this development to be successful and to provide the Owner with a reasonable return on its investment, both the Owner and the Management Agent believe that this development must successfully integrate its residents and its services in a cohesive community which in turn must successfully interact with its neighbors as well as with the City of Boston. This plan is organized into the categories which are generally described below and described in detail in the balance of this document.

Leasing and Marketing

The objectives of this area of operation are:

- to establish and maintain reasonable rent levels for the market rate apartments, as well as for the 400 apartments which will be available for the existing low income tenants and for new low income tenants as units turn over.
- to achieve the affirmative marketing objectives which include a goal of 30 percent occupancy by minority families in the market rate units and 25% occupancy by non-minority persons in the low income units.
- to assure that the development is racially integrated within each of the types of the housing being provided -- large family, small family and the elderly.

Accounting and Financial

The objective in the accounting and financial functions is to regularly, accurately, and in a timely fashion, report the financial condition of the property in a manner consistent with the requirements set forth in the Management Agreement

so as to allow for the proper evaluation and control of the income and expenses. Further, it is imperative that any additional information with respect to occupancy, turnover, and other meaningful data necessary for decision-making by the management agent be available.

Maintenance and Building Services

It is the objective of this aspect of management to coordinate maintenance services through a well-trained, professional service staff. The maintenance function is to be carried out with schedules, both daily and periodically, supplemented with a preventive maintenance schedule programmed for the year. Daily service logs are to be kept to help monitor building systems and equipment. Management must strive for optimum service in an effort to achieve the most productive utilization of the plant and equipment balanced against the cost of providing these services.

Tenant Relations and Tenant Activities

Proper tenant relations encourages respect for the property, promotes a happy and successful total living environment, helps to avert or alleviate problems and misunderstandings, and promotes the value of the real estate investment. In each of the preceding key areas of operation, a realistic value must be given to proper tenant relations. It is the objective of this area of operation to insure that proper consideration and action are given and that all policies and procedures with respect to the tenants are carefully thought out and communicated. In addition, in order to capitalize on the resources of the location and the development, the management agent will be responsible for organizing special activities for the various groupings of residents -- including the elderly, youth, unmarried individuals and so forth. The purpose of these activities will be to restore an active and dynamic living environment in terms of the development itself as well as with the surrounding community of the Columbia Point Peninsula and the City of Boston and its environs.

LEASING AND MARKETING

General Procedures and Responsibilities

Pursuant to the Management Agreement, the Management Agent will provide all renting, leasing, and related services. It is the Agent's responsibility to develop a marketing plan designed to achieve the general objectives set forth in the "Owner's Objectives" -- "Leasing and Marketing" Section. The specific subjects which are relevant to the leasing and marketing process are as follows:

Rent Schedule and Market Analysis

The rent schedules for the market rate units determine the desired rent or economic market rent for each apartment. Factors such as size, exposure, floor level, unit type, demand (one-bedroom vs. two-bedroom), amenities, etc., are weighed in selecting the market rents. The entire market schedule is based upon a market analysis of the current rent ranges for different types of apartments in comparable developments within the same general market area. This rent schedule will be developed by the Management Agent and reviewed by the Owner to insure that changes in the schedule can be implemented at the appropriate time and in the appropriate manner within the constraints of existing leases, laws, and market constraints.

With respect to the units for the low income families, the rent schedule will be established at the maximum levels allowed, pursuant to the regulations governing the Section 8 program (although there will be no Section 8 subsidies). It is the Management Agent's responsibility to assure that the maximum rent level, with respect to the low income families as well, is achieved.

Advertising

Advertising for initial occupancy is discussed elsewhere in this proposal. After initial occupancy, because of the size of this project, it is anticipated that a weekly advertising program will be established to attract replacement tenants and to establish a waiting list. To achieve this end and to achieve and maintain a level of 30 percent of the market rate units for minority households, this program will include

advertising in the Boston Globe, the Bay State Banner, The Boston Ledger, and in other media which focus on moderate and upper income minorities as an important segment of the market. This program will also include special outreach to minority organizations. As for the low income families, it is anticipated that all new tenants will be referred through the Boston Housing Authority.

Signs

The architects will design a system of graphics and signs which will unify the project and direct people to the rental office, to parking for the rental office and to the model apartments.

Model Apartments

Model apartments for initial occupancy have been discussed elsewhere in this proposal. Subsequent to initial occupancy, model apartments in both the new and modernized buildings will be maintained in order to enhance the ongoing marketing report to attract tenants to the vacancies and/or to build up the waiting list.

Rental Office

The rental office must be conducive both to selling and to creating the proper business environment. The leasing of an apartment and the selling of a condominium unit is a business transaction that involves selling. The style and operation of the rental office sets the tone and establishes the foundation on which the relationship with tenants is built. If turnover increases significantly, then the selling aspect of the rental office would be accented. It is important that the rental office activities and management operations be coordinated so that the vacancy loss is minimized and turnover kept to a minimum. Lease renewals and terminations are important to both renting and managing. The Owner will be kept informed of the status and policies adopted so that it can help set objectives with the manager.

Staffing

The staffing of the rental office is critical to the successful marketing of the development. Appropriate training will be given to all staff in fair housing laws and equal opportunity

guidelines. Because of the owner's goal to achieve a well-balanced economic and racial community, the leasing staff must be particularly sensitized to the needs and concerns of all prospective renters. A joint training program will be developed by TSI and Niles for the leasing staff to adequately and sensitively address the needs of the development.

Sales Aids

Many of the questions which a prospective renter has will be answered orally and visually by the rental staff through a visit to an apartment and with other sales aids such as brochures, floor plans, profiles, business cards, etc. The need and extent of such sales aids depends on the supply and demand of available apartments. A minimum package of "take-away" materials should exist at all times and should be of such style and design so as to create the right image in the mind of the prospective renter and get the proper tenant management relationship established.

Rental Application

Rental applications are completed at the rental office by all prospective tenants. Personal and financial information is only verified if an applicant makes an offer to rent and, in the case of market rate applicants, has made a payment equal to one month's rent. If a market rate applicant is accepted, the deposit is applied as the security deposit and, if rejected, the payment is refunded. Establishing a list of rental applications allows analysis of prospects as to their preferences for size, location, and price range, and is instrumental in minimizing vacancy losses. The application form is reviewed constantly in light of constantly changing consumer preferences. Any changes in the law applying to this aspect of the operation are brought to the attention of the Owner for review and consideration. The tenant application form is intended to conform to all current legal requirements including any special forms that may be required for the low income units either by the Boston Housing Authority or the Department of Housing and Urban Development ("HUD"). The information requested is typically sufficient to make a reasonable selective decision, provided the prospective tenant completes the entire form. In view of the importance of this aspect of the management function, it is expected that the form and its associated procedures would be periodically reviewed by the Owner.

Tenant Selection Criteria

Well-developed, consistent tenant selection policy is critical to the success of the new Columbia Point. The policy is to operate the apartments in such a manner as to attract a high-caliber tenant with a stable background and the potential for a long-term tenancy, and to achieve the affirmative action objectives. To insure the continuation of this type of tenant, as well as to be in compliance with and support of the various laws and regulations governing tenant selection, a general set of standards is established. Previous rental history and credit history will be checked as part of the screening process. Approved applicants will be required to attend an orientation session at which (1) Management staff will explain care of the unit and Management policy; and (2) representatives of various social agencies will provide brief descriptions of their services; and (3) representatives of the resident organizations will discuss their role and seek participation of the new resident. Rejected applicants will be notified in writing of the Management decision. An appeal process will be established. An active waiting list will be maintained in each bedroom size and in each income category so that Management may expedite filling vacant units.

The Manager reviews the standards of tenant selection criteria regularly to insure their legality and objectivity as well as their effectiveness.

Security Deposits

All tenants will be required to pay a security deposit equal to one month's rent. The interest as required by statute will be paid to the tenants annually.

Assignment and Eviction Criteria

A resident location plan will be developed for the new Columbia Point which will fully integrate the community with respect to race and income. Housing needs of the family as well as the composition of the existing building will be individually assessed. The relocation of existing residents throughout the new development is one area to which particular attention must be paid. The design of our buildings has allowed us to place some large units on the ground floors of some of the mid-rises. Such a building design lends itself to the development of a homogeneous building with families with children and singles and/or elderly persons. In addition to race and income as factors in assignment criteria, Management has always looked at the placement of families as a means of security for the building. To this end, we will also attempt to intersperse working households with households which may have a family member home for the day.

All residents will be required to sign a lease which will clearly define the responsibilities of the resident and the Managing Agent. Violations of any lease terms will be considered grounds for eviction. However, Management will first attempt to correct the situation by meeting with the resident to discuss the issues. If the matter cannot be resolved promptly, Management will pursue legal action in accordance with Massachusetts law.

Lease Form

The lease recommended by the Rental Housing Association of the Greater Boston Real Estate Board will be used for the market rate tenants. The lease term will ordinarily be 12 months. Low income tenants will use the lease form required by the Section 8 Subsidy Program.

Waiting List

All applicants included on the waiting list will be categorized as market rate or low income as well as by unit size, rent range and chronologically. A list will also be maintained of households interested in the cooperative units.

Lease Renewals

Each lease will be reviewed annually, at least 90 days prior to its termination and, if acceptable, an offer to renew the lease through a lease modification and extension agreement will be made. A review of this policy each year provides adequate time to assess its effectiveness. Lower income tenants will also have their leases renewed. In conjunction with the renewal, the rent will be adjusted in accordance with the tenant's income recertification and the applicable rules of the Section 8 Program.

Transfers

Tenant moves from one apartment to another present unique marketing problems, and the timing of such moves is important. So no rent loss occurs, the tenant transferring pays overlapping rent on both apartments for a two-week period to allow time for the apartment vacated to be made ready for an incoming tenant.

Parking

All cars owned by tenants will be registered in the management office. The rules of parking will be incorporated in the lease. Tenants will sign a separate parking agreement, on a month-to-month basis, if they lease a parking space in an enclosed garage.

Pets

For many reasons, pets in apartment properties are generally not desirable -- litter, incompatibility with other residents, health, noise, damage, and numerous other reasons. The policy will be not to permit pets.

Amenities

Services and facilities available within the property outside the apartment suites can be important to the decision a prospective resident makes about renting an apartment. It is apparent that the quality of ownership, location, construction, design, and management, as well as ability to find additional services and facilities, is important to the decision process of prospective renters. Management will review regularly the interest of prospective renters in amenities and keep the Owner apprised.

Vacancy

Vacant apartments will immediately be cleaned and painted by the staff. Vacancies will be reported to the Owner each month so an evaluation can be made with regard to advertising.

Apartment Turnover

In order to reduce financial loss due to vacancies, Management will maintain an active waiting list at all times so that prospective renters can be notified immediately should a vacancy occur. Residents will be required by their lease to provide at least 30 days notice of intended move-out. This notification will allow the leasing staff and maintenance staff to prepare the unit and process a new resident in a timely manner.

ACCOUNTING AND FINANCIAL

General Procedures and Responsibilities

The Management Agent will maintain adequate and separate books and records and will fulfill all functions to assure that the project's finances are handled smoothly and accurately. The specific aspects of this function are as follows:

Budgeting

The Management Agent, in an approved format, will submit to the Owner an operating budget and a proposed capital budget for the renting, operation, repair and maintenance of the property for the forthcoming calendar year. Each proposed budget is delivered to the Owner no later than October 1st of each calendar year. The Owner, after considering the proposed budgets, will consult with the Management Agent in order to agree on an approved operating and capital budget prior to January 1. During the operating year, monthly financial reporting of actual versus budget is submitted to the Owner for review of progress. Quarterly report meetings give an opportunity to discuss areas of budget concern and permit adjustments or changes in operating plans or finances.

Collection Policies

Rental payments for all tenants (residential and commercial) are due on the first of each and every month during the term of their lease. If by the tenth day of the month funds are not received for the balance charged to the tenant's account, past-due notices are sent. If at the end of the accounting period rent money is still outstanding, the Management Agent will contact the tenant and take whatever action is reasonable including commencing eviction proceedings. However, no legal action will be taken without the prior approval of the Owner. The Agent will not write off any income items without prior approval of the Owner. These procedures will be reviewed with the Owner to insure consistent policies.

Purchasing Policies

In accordance with the Management Contract and good business practices, the Management Agent establishes policies for

control of expenditures in purchasing materials and services. These include: Purchase Orders, Competitive Bidding, Quality Testing, Quantity Discounting, Inventory, and more. The Owner retains authority to approve expenditures in excess of \$1,000 which are not specifically included in the budget. The Management Agent is responsible for continuing to make sure that the most cost-effective and reliable purchasing policies are maintained.

Monthly Reporting

The overall responsibility for the day-to-day accounting and reporting function will be handled by TSI Management Services, Inc. The accounting information is provided by an in-house IBM System 34. All printouts are produced on 8 1/2" by 11" reports for easier distribution and filing.

Within 10 calendar days of the end of each month, the Owner will be provided with the following reports:

1. A Disbursement Register showing check number, check date, vendor name, account number and account name charged, vendor invoice number and check amount.
2. A Budget Operating Report which compares the current month actual with the current month budget as well as a year-to-date basis. In addition, this report shows per unit costs, for the current month and year-to-date, and the annual budget.
3. Balance Sheet
4. General Ledger
5. Aged Outstanding or Accounts Payable which itemizes each open invoice.
6. Tenant Master Report
7. Tenant Arrearage Report
8. General Journal
9. Utility Analysis Report which compares by-building actuals with the budget in terms of usage and cost.

Payroll

The entire staff of employees, both administrative and operating personnel engaged in the management of the property, are employees of the Management Company and are reported as such to the various municipal and federal agencies. The Management Company provides the on-site staff necessary to man the service control desks and engineering services on a 24-hour, seven-day-week basis. Also provided is adequate staff or contract services to clean and maintain the property. The administrative, on-site Management Office staff is also included in reimbursable labor costs. All labor costs are first paid by the Manager and then reimbursed from the Owner's operating funds as described in the Management Agreement. Appropriate records and schedules are maintained at the Management Agent's central office.

Insurance

All property insurance is carried by the Owner. Matters of possible insurance concern are brought to the Owner's attention by written advice. Additional information is submitted if requested. Building employees as well as the on-site management staff are covered with the appropriate Workmens' Compensation coverage, as well as group health insurance which is processed through the Management Agent's corporate office. The cost of insurance related to building staff is chargeable to the property and appears on the monthly operating statement.

Real Estate Taxes

Real Estate Taxes will be paid bi-annually from escrows set aside for this purpose.

Utilities

Monthly consumption figures are submitted to the Owner and energy programs outlined and reviewed at quarterly budget review meetings. Electric consumption is metered for public areas and billed to the Management Agent. Tenant usage is individually metered and invoiced by Boston Edison to the tenant. All utility usage is carefully monitored by the Manager and recorded. The Management Agent is responsible for advising the Owner of unusual developments.

Legal and Audit

The engagement of any outside legal counsel by the Manager must have the prior approval of the Owner.

Regarding the auditing of the books and records, the Owner has the right to conduct examinations, without notification, wherever the records are located. The Owner also has the right to perform audit tests relating to the Manager's activities provided such audit tests are related to those activities performed by the Manager for the Owner. The Management Agent will arrange to have an audit of the project done on an annual basis by a certified public accountant selected by the Owner.

Management Fee

The monthly management fee due the Manager from the Owner is collected by the Management Agent each month as an item of expense.

In general, the terms of the management contract between the Owner and Manager require that the Owner reimburse the Manager for all owner-approved, on-site payroll and on-site office supplies costs, and will not reimburse the Manager for any off-site payroll or accounting service costs, other than charges for computer reporting.

Brokerage Fee

The Management Company does not receive a separate fee for leasing or brokerage work performed. It is the responsibility of Management to use its best efforts to keep the apartments rented and leases renewed.

Income Processing

The Manager is responsible for the collection and processing of all income in connection with the subject property. The possibility of theft or diversion of those funds by the Manager is guarded against by minimizing the extent to which the Manager handles the income. To this end, rental payments by the tenants are mailed by them directly to the depository bank or are delivered by check to the on-site management office where they are subsequently mailed to the bank (cash is not accepted), and are deposited by the bank in the operating bank

account maintained exclusively for the subject property. To this extent, the Manager's personnel never handles the receipts. A record of the receipts is made by the bank on computer tape and this tape is the source of posting the rental payments to the accounts of the tenants.

Quarterly Reviews

The Management Agent meets quarterly with the Owner in an effort to analyze objectives and goals which have been set forth for the year and period covered. Areas of general discussion would include financial, marketing, and operations. Special reports on significant projects would be given and recommendations for improvements or policy changes submitted at this time. This communication process between the Owner and Manager results in a more efficient and organized operating plan, appropriate revisions made, and new policies established.

MAINTENANCE AND BUILDING SERVICES

General Procedures and Responsibilities

It is the Management Agent's responsibility to make certain that all cleaning, repairs, maintenance, decorating and alterations are completed efficiently, promptly and within the prescribed limits of quality and budget approved by the Owner. While some outside vendors are utilized, the maintenance and service functions are largely performed by two specific in-house staffing groups: Custodial and Mechanical.

The Custodial Department is headed by a salaried supervisor whose responsibilities include the administration and supervision of staff, development and assignment of work schedules, maintenance of supplies and equipment, and communicating and working closely with the Management and Rental Office. The custodial staff performs all the work necessary to prepare apartment units for re-rental, removes trash from the buildings and cleans public and commercial areas.

The mechanical functions are carried out on a 24 hours-a-day, seven days-a-week staff directed by an Engineering Supervisor. Daily work functions are performed according to the building service log and periodic or preventive maintenance work is assigned through a controlled work order system generated by the Management Office to the Engineering Supervisor.

The specific subjects included in this area are as follows:

Operating Staff

It is the overall responsibility of the Management Agent to assure that there is sufficient staff in number and training to man the service control desks and provide engineering and security services on a 24-hour, seven-day-week basis as well as to effectively clean and maintain the property and service the tenants. The Management Agent will review and submit to the Owner recommendations of possible staffing changes and salary adjustments to assure maximum efficiency without sacrificing quality.

Tenant Work Order Requests

All residents are instructed to advise the Management Office of any work requests they may have. These requests are recorded on a daily log sheet and assigned to a member of the mechanical or custodial staff for completion. Unusual or extensive work is referred to the Maintenance Supervisor for his direction which results in a more specific work order being issued. If the tenant request is for service beyond which they are entitled, they are advised by the Management Office accordingly. All daily log sheets are reviewed and maintained at the Management Office to make certain that all maintenance procedures and staff are being properly responsive to the needs of the tenants.

Routine Work Schedule

All work assignments are handled by the appropriate work supervisors. Certain job assignments are routine and performed daily. Schedules for these routine assignments are developed in conjunction with the Property Manager and posted. All work is evaluated by review, recording of time of job, and noting comments on completed project.

Preventive Maintenance Schedules

Preventive maintenance schedules developed by the Management Agent are kept at custodial and mechanical workshops. Monthly reviews are made by the supervisor and submitted to the Management Office. Work schedules are posted and require the worker's signature when the assignment is complete. The Management Agent will develop an appropriate preventive maintenance schedule which will be included in a manual.

Emergency Procedures and Back-Up

An operating manual will be assembled. It will outline procedures to be followed for emergency situations such as smoke, fire, flooding, bomb threat, water pipe break, blackout, brownout, sickness and deaths. The manual is sectionalized so that each of the operating groups has quick reference to their defined area of responsibility. It is essential that this document be reviewed constantly to make sure that the various crisis-type situations are being processed appropriately and that the staff is continually being briefed to make certain their role is understood.

Supplies and Equipment

Major building supplies and equipment are inventoried. Areas break down into three major categories: (1) mechanical tools and equipment, (2) custodial equipment and supplies, (3) office and building furniture and equipment and supplies. reviewing supplies and equipment, the Manager can determine consumption and proper utilization, control expenditures and evaluate quality and cost effectiveness.

Licenses, Permits and Notices

The following licenses and permits will be in effect at the apartments:

- Annual Elevator Inspection Certificate
- Real Estate Salesman's and Broker's license
- Unemployment Insurance Notice
- Workmens' Compensation Notice
- Occupational Safety and Health Act (OSHA) Notice
- Equal Employment Opportunity Notice
- Fair Housing Notice

It is the Management Agent's responsibility to review and make certain that the above licenses, permits and notices are current and properly displayed. If any new requirements are established, the Owner is advised and compliance is initiated by the Management Agent.

Energy Conservation

The Management Agent will explore every possible avenue of energy conservation and make recommendations to the Owner.

Safety Standards and OSHA

The nature of the work involved for the entire staff is such that the exposure to unsafe and/or abnormal situations would be a most unusual situation. Wherever possible, safety equipment is provided -- depending on the task being performed -- such as safety goggles, work gloves, etc. It is the concern of the Management Agent to be continually aware of changing conditions and situations and to be receptive to the attendant safety exposures and responsive to same. The Occupational Safety and Health Act of 1970 (OSHA) has definite record-keeping requirements which are strictly adhered to by the Management Agents at its corporate headquarters.

Service Contracts

Only specific technical work is serviced by outside contractors. These include air conditioning service and overhaul, elevator maintenance, water treatment, exterminating, rubbish removal, and the laundry concession. All service contracts are reviewed and approved by the Owner prior to signing and are re-bid each new term.

Appliance Repairs

Almost all of the appliance repair work is performed by in-house staff. The utilization of the Manager's personnel for repairs results in substantial cost savings, greater efficiency, and more prompt response to service calls from tenants. The appliances include dishwashers, disposals, refrigerators, and stoves. Replacement parts are inventoried. The Management Agent continues to review the quality and cost of this service and keeps the Owner advised.

Mechanical Systems

The mechanical systems constitute a significant use of energy and the Manager will be constantly developing ways to monitor its efficiency and improve its operation without causing tenant discomfort.

Landscaping

The Management Agent will employ adequate staff to maintain the landscaped grounds. Outside contractors will be hired for specialized services, such as fertilization, high tree work or re-seeding.

Plumbing Repairs

Minor plumbing will be done by the maintenance staff. The staff will be trained for this by Niles Company. Outside contractors will be used as necessary. It will be the policy to use on-site staff to the extent possible for economy and speed of service.

Redecorating Apartments

All painting work is contracted through an approved, properly insured vendor. Contractor prices include labor and other materials, excluding paint. All paint is purchased competitively by the Management Agent and is stocked and inventoried at the property. Paint colors are standardized. Custom work, approved by the Management Agent, is paid for directly by the tenant. Such custom painting must equal or exceed the building standards. It is the Management Agent's policy to constantly weigh the merits of having the painting work done by its own staff or by outside contractors and to consider ways of controlling the cost and quality of redecorating.

Redecorating Buildings

A clean, well-decorated building is essential to commanding the rent levels and reputation desired. The Management Agent will continue to monitor and perform work in this area.

Rubbish Removal

An effective rubbish removal system throughout the development is essential to maintaining immaculate grounds and common areas. Therefore; in addition to adequate rubbish removal facilities within the individual units, sufficient receptacles will be placed throughout the development. All residents will be properly instructed on the removal of trash from their units. Management will solicit bids for the most cost-effective method of trash removal from the site.

Snow Removal

Snow removal will be accomplished by both on-site staff and outside contractors. The staff, with appropriate equipment, will remove snow and ice from sidewalks, front steps, and pedestrian areas. Outside contractors, with heavy equipment, will clear snow from roads and parking areas.

Keys and Locks

Each tenant upon taking occupancy is supplied with two key sets consisting of three keys: Mail key for the apartment mailbox, a standard key which is the same for all tenants that allows entry into the building; and a specially cut key for

their individual apartment doors. This key cannot be duplicated anywhere except through the Management Office where additional keys may be purchased at a minimal charge. Duplicates of all keys are maintained at the building and are only issued to tenants or properly authorized parties. Signatures for the release of all keys are a prerequisite to assure proper security control. Master keys are issued by the Management Office only to the supervisors. These keys are not issued for routine access by the maintenance employees to perform work order requests for the tenants. Appropriate access is gained by having the employee sign for the individual apartment key which must be returned prior to the end of the work day.

Uniforms

The Mechanical and Custodial staff have uniforms purchased for them which consist of stock trousers and long-sleeve shirts. This procedure is economical and enhances the neatness of the staff. In addition, a washer/dryer facility will be located at the maintenance shop, for the cleaning of work clothes. The insistence by the Manager that the work staff be uniformed provides a basis for a standard dress code that creates a sense of security for tenants who will recognize the authorized staff immediately.

TENANT RELATIONS AND TENANT ACTIVITIES

General Procedures and Responsibilities

The on-site Management/Rental Office is the cornerstone for responsive tenant relations. Both residents and Management personnel communicate directly to or from this office to insure a coordinated posture. Prompt, courteous, and effective response to tenant inquiries and requests are essential components in the development of proper tenant relations. The various systems and procedures that have been developed over the years facilitate the way in which management handles most day-to-day affairs.

The development of policies and procedures, systems and schedules affecting the operation of the property and its impact on the residents are always communicated through the Property Manager to insure a smooth operation. It is the responsibility of the Manager to monitor tenants' compliance with policies and procedures and to consistently and equitably pursue strict adherence to building rules and regulations.

In addition, the Management Agent will develop a program of tenant activities which will allow the tenants to take full advantage of the resources of the development and the surrounding community. Moreover, these activities will be helpful in attracting new tenants and condominium owners to this development. The issues discussed in this section are as follows:

Move-In Policies

The moving in and out of tenants without a well-regulated policy can provide disruptions to all tenants, particularly with respect to elevator usage. All moves are approved by the Rental Manager who, in turn, advises the maintenance staff of the scheduling. In order to minimize disruptions and extend courtesy to other tenants, moves are not scheduled after 9:00 P.M. or on Saturdays, Sundays, or holidays without prior approval of the Management Office for unusual situations. A requirement is that either the tenant be present during the move or they must have submitted prior written authorization to the Management Office to open the apartment in their absence. A continued monitoring of these policies is necessary.

Tenant Organization

Development of a representative tenant organization for an apartment complex of this size will be instrumental in maintaining positive tenant-management relations. Beginning with orientation at move-in, the Management Agent will encourage new residents to establish a resident organization on a building/neighborhood basis. Management will initially assist in the organization of the tenant groups and host regular meetings to foster communication. Once established, Management will maintain positive relations with the group representatives through regular meetings and a general open-door policy.

Tenant Grievance Procedures

Management will maintain an "open door" policy with respect to residents with grievances. If the grievance involves two or more tenants, Management will hold the appropriate meetings to attempt to bring about an amicable solution.

Insurance Claims

In accordance with the Management Agreement, the Owner is to obtain and keep in force all forms of property insurance for the apartments with the exception of insurance on the Management Agent's employees. All accidents are brought to the attention of the Management Agent's central office with any recommendation for possible settlement of a claim. The Management Agent will monitor the processing of claims and cooperate in any adjustments as requested by the Owner.

Property Damage/Theft

Marketing and tenant relations are substantially bolstered through strong security procedures. Incidents resulting in property damage or theft are reported to the Owner. With security being such a strong marketing factor, it is the responsibility of the Management Agent to strengthen its system and keep the Owner informed of any trends that may develop.

Water Damage

On occasion, an apartment or group of apartments will be subject to water damage from exterior leakage or pipe breaks

within the building. In such instances, a list of personal items damaged are inventoried by the tenant and a report is filed with the Owner. Corrective work to the apartment is scheduled and completed promptly. The goal is to minimize tenant inconvenience, correct the problem, and to avoid loss of rental income. This "prompt action" method of processing such claims should be reviewed annually.

Tenant Disturbances

Noise transmission between apartment units can be a source of irritation. Although acoustical construction will reduce the level of this sound transmission to a minimum, there are occasions when unreasonable noise requires the intervention of Management. All incidents of excess noise are reported to Management who, in turn, contacts the tenant and asks for cooperation if, in fact, the tenant is responsible. The incident and related facts are noted in the daily log. This log is reviewed by the Property Manager. Repetitive problem situations require the attention of the Manager directly. Management's responsibility and objective is to ensure that all tenants can enjoy reasonable peace within their apartments.

Transfers

A request for transfer from one apartment to another is submitted by the tenant in writing to the Management Office. The transfer policy hinges on two objectives: (1) that no rent loss occurs as a result, and (2) that with few exceptions, the reason for requesting the transfer be valid, i.e., change in income, family size, etc. This policy allows transfers to take place using understandable standards which are uniformly handled with all residents. Tenant transfer policy should be reviewed periodically as it affects the cost of operation and tenant relations.

Soliciting

It will be the policy of the Owner and management not to allow open solicitation of any type within the buildings, as security and privacy comprise two important amenities in apartment living today.

Tenant Requests and Complaints

Tenant complaints and requests for repairs are referred to the Management Office and entered into the service log.

Those of a continued or unusual nature are referred to the Management Office and handled on a case-by-case basis. The objective of Management is to handle tenant requests and complaints in an orderly and expeditious fashion which gives the tenant a feeling of superior service.

Redecorating

The Management Agent will repaint the units in accordance with an established schedule approved by the Owner. Units are anticipated to be repainted by the Owner at least every five years and when units are vacated.

Parking

Because of the large size of the development, close control of parking is critical. All tenants will have full written information on the parking options and rules.

- All cars will be registered in the management office.
- There will be a charge for parking in the enclosed garage, and parking will be free outdoors.
- Areas will be reserved for guest parking.
- Security will have authority to leave notes on mis-parked cars, but will also have authority to have cars towed, if circumstances warrant.
- Convenient and accessible handicapped parking will also be available in the enclosed garages and in the open parking areas.

Laundry

Coin operated laundry rooms are located at each floor of the towers and mid-rise buildings. The equipment in each of these rooms is provided for and maintained by a laundry equipment contractor. Tenant claims for damage to their clothing caused by machines are referred by the Management Office to the laundry equipment contractor who becomes involved in any settlement with the tenant. This is a sensitive tenant relations area in which the Management Agent will stay involved to see that the tenants are properly served. As for the family units, hook-ups for washers and dryers will be provided within the apartment.

Newsletter and Written Communications

Management's objective is to be cordial, personal, and professional in communicating with residents. Appropriate background information and lines of reasoning are to be presented to the residents rather than dictated. Written communications are done in a timely fashion so as to give sufficient advance notice to residents of actions or plans. Properly prepared and delivered written communications help to lessen adverse reactions that will always develop with any change in the status quo.

A monthly or bi-monthly newsletter will be written and distributed by Management. Active tenant participation will be solicited for this effort. Newsletters have a multitude of benefits to both tenant and Owner; not the least of which are:

- promoting a sense of community;
- announcing rules and processes; and
- bridging the communication gap between Owner and tenants.

Social Service and Recreation Programs

It is the intent of the developer and Management to integrate and fully utilize the rich abundance of social service agencies currently present at Columbia Point. The design of the new Columbia Point calls for a town center in which many of the services could be concentrated in order to allow easy accessibility for the resident/client. Management will work closely with the agencies to develop an on-going relationship with all of the agencies in the hope of developing an umbrella network to address first the needs of the resident community and then of the public at large. A comprehensive resource directory will be developed for all residents to inform them of the available services at Columbia Point. Just as the establishment of resident organizations will be encouraged, we will also encourage the establishment of resident participation on the boards of these various agencies to insure community representation.

At the outset, Management will review the existing needs of the Columbia Point residents to assure that appropriate services are available for the resident community. Regular meetings will be scheduled with agency representatives, management and resident representatives, to assure that resident needs are being met. Evaluation of resident and community needs will be done at least on an annual basis since resident populations change.

A need has already been recognized for increased vocational training, day care and youth development and counseling. Where these services are not presently provided on-site, Management will solicit public agencies to arrange exchange or referral services to provide services on a regular basis.

Description of Management, Tenant Assignment and Security
(Post Rehab)

Residents who have gone through the screening process described above will be assigned an apartment in accordance with their needs and the overall plan for an economic and racially mixed community. Once the applicant is notified of approval and building assignment, he/she will be taken on a tour of the grounds and to his/her particular unit. Security will be stressed at orientation for the new resident. Management will introduce the new resident to his/her neighbors during the orientation process. The resident in turn will meet the Management staff including security and maintenance in order to familiarize him/her with the personnel of the development. It must be stressed that Management and security operations will be experienced consistently for residents of all income categories in each building since each building will contain a mixed income residential community.

CUSTODIAL STAFF

Custodial Supervisor

- Employ and train staff to perform all functions relating to areas of cleaning; washing, waxing, and shampooing of carpeting, etc.
- Purchase materials and supplies for department.
- Assist Manager in forecasting a custodial budget and direct work efforts to conform to this budget.
- Administer the staff and enforce established work rules.
- Schedule and coordinate cleaning assignments in order to prepare vacated apartments for occupancy.
- Establish and maintain cleaning schedules for public and/or common areas within the buildings and the adjacent exterior areas.

Custodians

Trash Men

- Daily cleaning of laundry rooms.
- Daily policing of outside areas adjacent to the buildings.
- Daily removal of trash and cleaning of trash closets.
- Daily specific assignments as directed by Supervisor.

Swing Men

- Fill in for off-duty personnel.
- Clean apartments when vacated.
- Carpet shampooing.
- Window and shade cleaning and repair.
- Specific daily assignments by Supervisor.

Night Man - Part Time

- Responsible for the cleaning of commercial and office areas as directed by lease agreements, to include periodical and daily assignments in the following categories:

- Waxing of floors
- Vacuuming carpets
- Removing trash
- Wall spotting
- Scrubbing/mopping of lavatories

MECHANICAL STAFF

Maintenance Supervisor

- Train, supervise and enforce established work rules and policies of the staff to perform in all areas pertinent to the mechanical operation of the apartments.
- Issue special work assignments on a preventive maintenance schedule or as needed.
- Administer the daily work load and respond to individual tenant requests as noted on the Service Control Manager's log reports.
- Secure materials and supplies, as necessary.
- Make recommendations to the Manager with respect to capital replacements, improvements and/or efficiencies.
- Assist Manager in establishing a maintenance budget and conduct maintenance operations within the scope of that budget.
- Monitor and record steam and electrical consumption, and be able to justify unusual variances.

Apartment Engineers

- Responsible for temperature controls of mechanical room areas.
- Responsible for the operation of the absorber and heat exchanger.
- Assure that the thermostats controlling heat and air conditioning in all apartments are functional and accurate.
- Provide coverage daily and through weekend and holiday periods.

Maintenance Mechanics

- Perform preventive maintenance work within apartments and control mechanical plants when directed.
- Overhaul and/or replace pumps, motors, circulators, etc.

- Replace, when needed, and/or assist engineers when additional help is necessary.
- Coverage to be provided on second and third shifts on a seven-day basis.

Handyman

- Perform the major portion of appliance repair.
- Respond to tenant requests as noted on the Service Control Manager's log sheet.
- Assist in the mechanical preparation and readiness of vacant apartments.
- Perform any work assignments as directed by Supervisor.
- Assist the maintenance engineers and maintenance mechanics in situations when needed and/or directed.
- Work week to be Monday through Friday - First shift.

MARKETING PLAN

The objectives of the Marketing Program are:

- to rent 1336 newly constructed and rehabilitated apartments;
- to sell 264 new condominium units; and
- to relocate the 400 existing residents into appropriate newly constructed or rehabilitated living units

within the parameters of the overall development program. In order to achieve these objectives, the image of the Columbia Point development must be changed to reflect the quality, the amenities and the services of the new residential community which will be offered as well as the resources that will be available to the development. These resources include the developments':

- accessibility to the sea;
- its relationship to the other institutions on the Peninsula, in terms of the significant and well designed physical facilities of the Kennedy Library, the University of Massachusetts and The Massachusetts Archives State Records Center & Archives Museum as well as the services and amenities that will be available including educational programs through the University of Massachusetts' Day and Extended Day Programs;
- the athletic facilities available at the University of Massachusetts and at the local schools, school programs at the elementary and middle public schools which rank highly in performance within the Boston school system and the private BC High School;
- employment opportunities on the peninsula with the above noted institutions and, among others, the Bayside Exposition Center and the First National Bank of Boston's Computer Center; and
- and its close relationship to downtown Boston which is easily accessible by car and public transportation.

The marketing program will be undertaken by Niles Company in conjunction with TSI Management Services, Inc. In addition, marketing, public relations and advertising consultants will be retained to participate in their relevant areas of the marketing program.

As soon as the developer is designated, it will retain a marketing consultant to help refine the development Program by analyzing the potential market. Concurrently, the public relations and advertising consultant will be engaged for the purpose of determining a new name for the development; determining a logo; developing an early and solid relationship with the press; and working with the Columbia Point Community Task Force, The Boston Housing Authority, the Boston Redevelopment Authority, and the other institutions and agencies that have an interest in the development, whether directly or indirectly, including the University of Massachusetts, the Kennedy Library, the First National Bank, St. Christopher's Church, the Bayside Exposition Center and the Massachusetts State Records Center and Archives Museum -- thus, providing a means of expressing their ideas and concerns. Hopefully, this relationship will result in active and comprehensive planning for the entire Peninsula. From these efforts, an overall advertising and marketing strategy will be determined.

Once the elements of strategy have been planned, the logo, brochure, graphics and advertising will be designed, bearing in mind at all times the 30 percent minority goal for moderate income and market rate households. This program must be completed at least three months before the opening of the first apartments to allow sufficient time for arrangements to be made for specific media insertions, including advertising inserts in the local papers and for radio.

Early planning will go into the design location of the sales office and model apartments. Six months before the opening date, the interior of the sales office and the model apartments will be designed, and furniture and drapes will be ordered. Three months before opening, photographs and graphics for the sales office will be ordered. The sales office will be designed with ample space to display the development graphically, to be comfortable for prospects and to have several attractive private offices where prospective tenants or purchasers can confer with the sales and management people. There will be a model apartment for each apartment style and the models will be easily accessible from the sales office by foot or by vehicle. The development will have several enclosed vehicles to transport applicants to the model apartments and around the site.

The quality of sales personnel is key to the marketing process. At least four months before the opening date, a general sales manager will be hired to coordinate the program. Job descriptions will be drawn up for sales people and the appropriate number of sales people will be determined. The sales staff will be hired at a rate of about one per month before opening day, of which at least 30% will be minority. The new sales staff will immediately enter an intensive sales program, which will emphasize the benefit of the new housing opportunities being created and its relationship with the "total Peninsula" and the City of Boston.

Beginning with the initial opening of the development, receptions will be planned to dispel any lingering misconceptions about "Columbia Point" among city leaders and within the community and the residential marketplace. Various groups will be invited, including:

- the press -- representing newsletters, magazines, radio and television -- at a regional, community and ethnic level;
- residents of Columbia Point;
- Dorchester, South Boston and other city community leaders;
- City, HUD and State officials;
- those who have expressed interest in the housing; and
- the real estate development and property management community.

A maximum sales effort will be maintained for as long as it is necessary to fill the completed units and to achieve the development objectives. The marketing agent will meet with the developer weekly to review progress and to alter sales techniques as necessary. After initial rent-up, a sales office, sales staff, and a number of model apartments will be maintained in recognition of normal annual turnover in all categories of apartments. The office will be open days and appropriate evenings and weekends, and will be staffed by personnel who understand the benefits and requirements of the subsidized apartments as well as moderate income and market units.



RELOCATION PLAN

I. ADMINISTRATIVE ORGANIZATION

TSI Management Services, Inc. which has successfully organized and coordinated the tenant relocation and subsequent management of three Boston rental developments which were rehabilitated, will be administratively in charge of the relocation activities for Columbia Point. This process although difficult has proven successful in the past as it allows TSI to have responsibility for managing the properties both before and after they are rehabilitated. During this process, TSI has been able to establish a sound working relationship with the relocatees.

II. RELOCATION PROCEDURE

The relocation process requires sensitivity to the needs and concerns of the existing residents. Because many of the existing buildings will be eliminated and because the extent of the proposed rehabilitation work within the apartments at Columbia Point will require that units be vacant during the construction period, a system of "checkerboarding" the existing tenants within Columbia Point will be worked out in accordance with the staging program detailed in Section III of this proposal. Once buildings are completed and families have been moved into their new units, vacated buildings will be available for construction. By working out a detailed schedule beforehand, TSI will be able to work closely with existing families to minimize any inconvenience to them during the construction period.

In some cases, families may choose to move off-site during the construction period or, in a limited number of instances, be requested to relocate off-site so that the construction process can be expedited. In order to be prepared for any off-site relocation needs, TSI will investigate housing options from various sources in the Boston area - including the Boston Housing Authority, Section 8 existing housing and other subsidized housing stock, including HII's Boston developments which have a total of 1255 subsidized units. Any family which moves off the site during the construction period will be assured of a new unit in the completed project and will have the cost of their moving paid for by the development. TSI will seek other housing resources if necessary for temporary relocation purposes. To the extent that temporary off-site housing is needed, TSI will conform with all requirements of the Uniform Relocation Act.

III. RELOCATION STUDY

Prior to the formulation of a final relocation plan for the existing families, an in-depth interview with each existing family at Columbia Point will be conducted to accomplish the following objectives:

1. Identify each family in the Columbia Point development pursuant to existing rent roles;
2. Gather family composition information pertinent to unit occupancy eligibility relative to family size;
3. Identify extended families presently residing in a single unit;
4. Provide existing families with initial contact with the prospective Owner and the Management Agent.

IV. RELOCATION ASSURANCES

1. Site occupants will be given the right of first refusal to any rehabilitated or new unit within the development for which they qualify.
2. Each occupant will not have less than 60 days written notice from the date of closing before being relocated.
3. Occupants will not be required to move until they have been offered a reasonable number of accommodations which meet relocation standards. All referrals will be documented in writing to the occupant.
4. The existing unrehabilitated units in which the resident is presently living will be maintained in good condition until the residents are actually required to relocate to the new unit.

V. INFORMATIONAL PROGRAM

All occupants scheduled to be relocated in the rehabilitation program will receive the following types of materials:

1. A complete description of the rehabilitation program indicating a proposed scheduling, when they may have to vacate their buildings and what buildings and unit sizes will be available for them to move into.
2. It will clearly state that relocated residents have a priority in obtaining new rehabilitated units within the development.

Our general informational material will also include the relocation standards and protections that the existing residents have.

Rent during construction will be the same rent that the residents were paying prior to our acquiring the properties. As we indicated earlier, TSI will be responsible for the property management, and buildings will be kept clean, safe and in operable condition prior to relocation.

VI. REPLACEMENT HOUSING UNITS

TSI will develop a housing resource list in addition to those units that are being prepared in the development. It should be noted here that the intent of the rehabilitation procedure is to first rehabilitate vacant units and at the same time begin new construction phases to allow an ample pool of units for on-site relocation.

TSI will inspect any units that the staff finds for tenants outside of the development to assure ourselves that relocation procedures are being adequately followed. The Boston Housing Authority and other management companies will be contacted for vacancies in existing units, if necessary.

VII. RECORD KEEPING

A folder on each site occupant will be maintained by TSI. The information in these folders will be kept strictly confidential and will be available only to the developer and any appropriate government agency.

Affirmative Action Program

AFFIRMATIVE ACTION IN HIRING

HII Corporation believes that a project of this nature should provide as many employment opportunities as possible to minorities and to the residents of Columbia Point. These opportunities should not only be included within the construction trades, but should also be made available, as applicable, within the other professional areas represented on the development team. To this end, a number of affirmative action plans have been included within this portion of the proposal.

Moreover, HII Corporation will work with the Task Force to identify residents of the community who are seeking employment, and to assess their skills and employment objectives. From this pool, each of the members of the development team will be able to assess the available resources within the community and to structure employment opportunities within their companies to respond to these resources. In addition, each of the team members through the Task Force will notify the community of the specific job opportunities so that the residents can apply for available opportunities. Finally, if the employment of a Columbia Point resident is not working out, the employee will be notified of the problem and his employment will be terminated if the problem isn't corrected. The Task Force will also be notified in the case of potential employment termination. HII and each of the members of the development team will do everything possible to provide meaningful employment opportunities. However, if the employee is not fulfilling his obligations, then termination will result.



HII CORPORATION

AFFIRMATIVE ACTION PROGRAM

HII is a minority enterprise and its officers are well-aware of the benefits which follow from engaging in Affirmative Action Programs with skill and education. To this corporation, Affirmative Action is not merely government regulations, it is a corporate policy founded in basic human rights and pride. Our track record, which was included in our original submission, evidences this commitment.

With respect to Columbia Point, HII will retain the other team members to fulfill specific development tasks - i.e., the architect will be responsible for project design, the management agent will be responsible for the management plan and so forth and will monitor each of their Affirmative Action Programs. Although development staffs are usually small, because of the size and the complexity of this development, it is anticipated that HII Corporation's principal responsible for this project will have one or two project assistants. One of these positions will be reserved for a resident of Columbia Point. This individual will not only be responsible for certain aspects of the development program, but will also have an opportunity to strengthen his or her professional skills through a relevant education program that might cover such areas as finance, real estate development, planning and basic concepts of architectural design.

In addition, HII Corporation will have an owner's representative and an assistant to the owner's representative assigned to this development beginning three months prior to the start of construction. It is the owner's representative's responsibility to work with the architect to insure that construction is proceeding in accordance with the plans and specifications, to expedite the work and any change orders relating to it and to coordinate the interests of the residents, the management agent and other parties with the construction process. HII Corporation will reserve the position for the assistant to the owner's representative for a resident from Columbia Point. An education program will also be developed, to enhance the growth of this individual in his or her professional pursuits.

Upon completion of the Columbia Point development, these individuals will be offered further employment with HII Corporation, if there are positions available. If, there are no such positions available, HII Corporation will use its best efforts to help place these individuals in comparable positions with other development companies. In addition, HII will work with the other members of the development team to try to assure that Columbia Point residents whom they have hired and are not able to retain because of the lack of an available position will be able to find continued employment in their professions subsequent to the completion of the Columbia Point development. This effort will include HII's requiring its development team members on its other projects to give job preference to those Columbia Point residents.



BARKAN CONSTRUCTION COMPANY, INC.

AFFIRMATIVE ACTION PROGRAM

Barkan Construction Company has enacted policies of equal employment opportunity and affirmative action that have led to significant employment and contracting opportunities for minorities and females on its construction jobs.

Attached as Exhibit A is the Barkan Program of Affirmative Action which details the firm's policy and commitment to the advancement of minority groups and women in our office and field operations and in contracting opportunities for minority and women's businesses.

We are proud of our record of performance in the area of Equal Employment Opportunity as evidenced by the results achieved on past projects. Exhibit B, E.E.O. Past Performance, illustrates our record on five recent jobs.

We have reviewed the Boston Housing Authority's, Boston Redevelopment Authority's and Columbia Point Community Task Force's goals for construction hiring as outlined in Appendix B of the Request for Developer Proposals. We are committed to achieve these specific goals:

To meet or exceed the BHA policy that of total person hours in each construction trade for a specified time period, there shall be 30% minority employee person hours.

To meet or exceed the City of Boston and BRA goals to make our best effort to attain at least 50% bonafide Boston resident person hours and 10% women person hours.

To meet or exceed the BHA policy at Columbia Point that 30% of the final construction agreement price shall be expended for work performed or goods or services supplied by minority business enterprises, with two-thirds of this requirement to be satisfied by use of minority-owned construction contractors as opposed to suppliers.

To develop opportunities in cooperation with our subcontractors and appropriate unions for the training and hiring of public housing residents with first preference to Columbia Point residents and with specific goals of hiring laborers and providing apprentice training for the different construction trades used in the construction of Columbia Point.

AFFIRMATIVE ACTION IN CONSTRUCTION

PAGE -2- (Continued)

To meet the goals stated above, we have projected our work force needs over the estimated three year construction period. Exhibit C details those projections by trade and by journeyman and apprentice categories. Our commitment to Affirmative Action and the achievement of the above goals will become contractual obligations of our subcontractors as well. Each subcontract agreement that we negotiate will include the requirements that the subcontractor adopt a similar Affirmative Action Plan and meet or exceed the goals for Equal Employment Opportunity.

In recognition of the BHA's, BRA's and the Columbia Point Task Force's interest in developing opportunities for training and hiring of public housing residents, we propose a program to hire during the course of construction up to 18 apprentices and 15 laborers from among public housing residents, with preference to Columbia Point residents. The specific trades involved are listed in Exhibit D with reference to the projected work force levels developed in Exhibit C. We will work with the various unions involved to establish a Construction Training Program sufficient to qualify for approval by the Massachusetts Bureau of Apprenticeship Training. The intent of this program will be to provide employment for apprentices at Columbia Point, and to ensure that apprentice training programs will result in journeyman status for each of the apprentices involved in the program.

The first step in the implementation of this training program will be the identification by the BHA and Columbia Point Task Force of all interested and qualified public housing residents. We will work with the unions and our subcontractors to give priority to all such public housing residents in the establishment of such a training program and will endeavor to begin such a program at the start of construction and continue with this program through the anticipated three years of construction.

We will also seek to identify qualified administrative and support personnel from among public housing residents to work on our construction management staff. We would hope that our training programs will lead to the acquisition of new skills by public housing residents, and we will make our best efforts to continue to provide employment to such newly trained workers on our own staff and on our subcontractors' payrolls at the conclusion of the project.

We will consult on a regular basis with the Task Force to ensure full satisfaction with our efforts on behalf of Columbia Point and public housing residents and will review our EEO practices with the Task Force throughout the construction period.

BARKAN CONSTRUCTION COMPANY, INC.

AFFIRMATIVE ACTION IN CONSTRUCTION

EXHIBIT A

A. Policy

In recognition of our moral commitment to the advancement of all Minority Groups, this Company will not discriminate against any employee or applicant for employment because of race, creed, color, national origin or sex.

B. Equal Employment Opportunity Officer

Gordon Gladstone has been appointed as the Equal Employment Opportunity Officer to coordinate company efforts in connection with our commitment to encourage the employment and development of Minority Groups. Mr. Gladstone may be reached by calling our Boston Office at 617-734-9600.

The Equal Opportunity Officer oversees non-discriminatory hiring and lay-off by being the final voice in such matters.

Should any discriminatory complaint ever occur, the Equal Opportunity Officer has been directed to arbitrate any such matters without prejudice.

C. Recruiting Practices

In accordance with our established policy, advertisement for employment, when required, has been, and shall continue to be placed in the newspapers which serve the largest number of Minority Group people in the recruiting area as well as the principal newspapers which serve the area.

To this end, we have placed advertisements for employment in several minority newspapers and shall continue to use these media when required in seeking to fill positions in both the field and in the office.

We have actively sought to employ office personnel by contacting agencies dealing with Minority Groups and Women. In addition, when placing orders with Employment Agencies for office or field personnel, such agencies shall continue to be advised that we are an Equal Opportunity Employer and would welcome applicants from Minority Groups and Women.

Advertisements for employment placed in all newspapers bear the label "Equal Opportunity Employer" including advertisements seeking Construction Superintendents.

All bulletin boards on job sites shall continue to bear job availability and equal opportunity label, and job superintendents are instructed to make our Equal Opportunity in Employment Policy known to each of the Union Business Agents who are contacted for employees. This policy shall apply equally to Apprentices and to Journeymen.

All office and field personnel are encouraged to refer Minority and female applicants for available positions, feeling confident that the applicants' qualifications will be judged without regard to sex, race, creed, color or national origin.

D. Nondiscriminatory Placement and Promotion

It is a matter of company policy that work assignment and promotion shall be made without discrimination as to sex, race, creed, color, and national origin. Insofar as possible, every effort shall be made to encourage Minority Group and female employees to seek such promotion.

As we have in the past, we shall employ Minority Group and female personnel in supervisory positions and continue to promote them when warranted. The company policy has always been that there shall be no varying rates of pay except by trade classification and union ruling, and there shall be no deviation from this policy.

E. Nondiscriminatory Demotion, Layoff and Termination

The company policy with respect to placement and promotion shall apply equally to the matters of demotion, layoff, and termination.

F. Additional Nondiscriminatory Action

The company policy applying to non-variance in rates of pay except by trade classification and union ruling is checked each week at the time payrolls are made out. There is no on-the-job setting of wage rates. An individual is paid by the office automatically by trade class and union ruling, the payroll clerk having no knowledge of the sex, race, creed, color or national origin of the employee.

In the office, an employee is paid on the basis of the type of position and the current popular wage rate for a similar position elsewhere in the industry, varying only in length of experience, qualifications, and ability. No deviation from this policy is allowed on the basis of sex, race, creed, color or national origin.

No existing employees' compensation has ever been reduced because of converting to on-the-job-trainee status, and this policy shall continue.

As in the past, the company policy shall continue to be to offer an opportunity to all qualified employees to perform overtime work when required without regard to sex, race, creed, color or national origin.

At the regular job-site meetings, each superintendent will emphasize the company's earnest desire that this program shall be carried through. The Executive Vice President shall verify that no discrimination exists in the field, and shall report his finding to the Equal Employment Opportunity Officer, together with any recommendations for additions or alterations to the Program as required to obtain the desired results.

G. Nondiscriminatory Practice in Subcontracts

The policy of the company shall continue to be to encourage the advancement of minority groups and women by soliciting subcontractor bids without discrimination. Additionally, we seek to repeat contracts with subcontractors who evidence their sincere desire to participate in an equal opportunity in employment program by hiring minority group and female employees.

Minority and women's entrepreneurship is encouraged by soliciting competitive proposals from such qualified business groups and by extending every effort to induce such participation.

Mel A. Barkan
President

AFFIRMATIVE ACTION IN CONSTRUCTION

EXHIBIT B

<u>PROJECT LOCATION</u>	<u>CATEGORY</u>	<u>GOAL</u>	<u>ACHIEVE</u>
1. <u>BERGER APARTMENTS</u>			
New Haven, Ct.			
% Minority Hours:	Barkan	20%	44%
	Subcontractors	20%	27%
	Total	20%	32%
% Female Hours:	Barkan	6.9%	10%
	Subcontractors	6.9%	6%
	Total	6.9%	7%
% Minority Contract \$'s			5.1%
2. <u>VIVIENDAS</u>			
Boston, Mass.			
% Minority Hours:	Barkan	30%	28%
	Subcontractors	30%	26%
	Total	30%	27%
% Female Hours:	Barkan	6.9%	5%
	Subcontractors	6.9%	6%
	Total	6.9%	6%
% Minority Contract \$'s			3%
3. <u>VALEBROOK</u>			
Lawrence, Mass.			
% Minority Hours	Barkan	18%	28%
	Subcontractors	18%	19%
	Total	18%	20%
% Female Hours	Barkan	6.9%	0%
	Subcontractors	6.9%	2%
	Total	6.9%	2%
% Minority Contract \$'s			4.5%

AFFIRMATIVE ACTION IN CONSTRUCTION
 EXHIBIT B (continued)
 PAGE -2-

<u>PROJECT/LOCATION</u>	<u>CATEGORY</u>	<u>GOAL</u>	<u>ACHIEVED</u>
4. <u>FITCHBURG GREEN</u>			
Fitchburg, Mass.			
% Minority Hours:	Barkan	8%	15%
	Subcontractors	8%	11%
	Total	8%	12%
% Female Hours	Barkan	6.9%	10%
	Subcontractors	6.9%	0%
	Total	6.9%	2%
% Minority Contract \$'s			3.4%
5. <u>MARBLE STREET APTS.</u>			
Worcester, Mass.			
% Minority Hours	Barkan	8%	10%
	Subcontractors	8%	12%
	Total	8%	11%
% Female Hours	Barkan	6.9%	7%
	Subcontractors	6.9%	0%
	Total	6.9%	2%
% Minority Contract \$'s			3.2%

BARKAN CONSTRUCTION COMPANY, INC.

EXHIBIT C

WORK FORCE PROJECTION

	<u>Journeyman</u>	<u>Apprentice</u>
Laborers	40	
Carpenters	20	
Bricklayers	16	5
Electricians	12	4
Glazers	5	3
Iron Workers	3	
Painters	6	1
Plumbers	8	2
Roofers	6	2
Sheetmetal Workers	3	
Sprinkler Fitters	3	1
Equipment Operators	3	1
Elevator Constructors	10	
Tile Setters	4	
Cement Finishers	4	
Pipe Fitters	5	
	<u>8</u>	<u>1</u>
	153	<u>2</u>
		22

1
175

Note: Work force projection is based upon estimated work force needs averaged over a three year construction schedule.

BARKAN CONSTRUCTION COMPANY, INC.
AFFIRMATIVE ACTION IN CONSTRUCTION

EXHIBIT D

PUBLIC HOUSING RESIDENTS -
LABORER AND APPRENTICE HIRING PROGRAM

	<u>Journeyman Projected Total</u>	<u>Apprentices Projected Total</u>	<u>Proposed Hiring Program Public Housing Residents Journeyman App</u>
Laborers	40		
Carpenters	20		
Bricklayers	16	5	15
Electricians	12	4	
Glazers	5	3	
Ironworkers	3		
Painters	6	1	
Plumbers	8	2	
Roofers	6	2	1
Sheet Metal Workers	3		2
Sprinkler Fitters	3		1
Equipment Operators	10	1	
Elevator Constructors	4	1	1
Tile Setters	4		1
Cement Finishers	5		
Pipe Fitters	8	1	
	<u>153</u>	<u>2</u>	<u>1</u>
		22	<u>1</u>
			15
			<u>18</u>



STULL ASSOCIATES

AFFIRMATIVE ACTION PROGRAM

Stull Associates, Inc. ("SAI") will establish an Affirmative Action Program covering the architectural work for the Columbia Point Development. In this connection, it will require each of its design sub-consultants, who control at least 10 percent of the value of the contract for architectural services, to submit a formal written Affirmative Action Program prior to the start of work.

Once the program has been approved, SAI will closely monitor and audit the progress of the Affirmative Action Programs and submit monthly reports. Established goals will be compared with actual performance with respect to minority business utilization, minority employment, and employment of the Columbia Point residents.

While construction apprenticeship is a standard component for residents on projects of this scale, Stull Associates proposes to expand internal training to include the design professions represented on the project team. Similar to the Training Program conceived by this office for the MBTA, the program will focus on the objective of placing at least one resident of Columbia Point in each office in a position which initiates the participants in the excitement of each of the professional fields.

Implementation of this program will result in the placement of trainees into the normal operations of each design office. Due to the size of the design offices and the time commitment required to provide adequate on-the-job training, SAI and its participating consultants, will initiate the program with one trainee per office. Initial work will be focused on the individual's entry level capabilities with subsequent assignments based on skills acquired at each preceding task. Additional training will be offered to supplement the job acquired skills. Depending on the individual, this may include course work through the Boston Architectural Center, Wentworth Institute or co-operative education efforts with Northeastern University.

Trainees will be subject to the standard policies and procedures of the office in which they are placed. Their continuing employment, during and subsequent to the projects completion will be determined by the criteria applied to all other employees. If, during the course of the project, it is necessary to terminate a trainee's participation due to inadequate job performance, preference will be given to another Columbia Point resident in filling the vacant position.

It is hoped that during the course of the design and supervision of the project, the trainees will develop the necessary professional skills required to continue in the design office. If such a position is not available, the project team will endeavor to find another position for the trainee.

Stull Associates, Inc. maintains a strong commitment to Affirmative Action, Equal Employment Opportunity, Full Utilization of Minority Business Enterprise, and Job Training.



AFFIRMATIVE ACTION PLAN IN HIRING
(AS IT RELATES TO MANAGEMENT STAFFING)

The proposed management staffing during the interim management phase and thereafter will consist of site office personnel who will handle the administrative management functions and field personnel who will handle the maintenance, custodial and security functions of the complex. Opportunities for all positions will be made available to residents of the development. Management and maintenance trainee positions will be available from this early phase. It is anticipated that staff who receive on-the-job training during the interim phase will continue to hold their positions during the rent-up and post-rehab phase.

With a maximum of 35 management staff positions available, initially, we can realistically expect between 30% and 50% of the entire staff to be allotted to Columbia Point residents as depicted in the employment goals below. However, TSI's general company philosophy has always been to provide employment opportunities to qualified, existing staff first and to offer opportunities for advancement to existing staff. Therefore, trained Columbia Point residents may be considered for openings that arise at other properties managed by TSI. All management staff will be sent to educational seminars and workshops that will supplement the on-the-job training. An additional component of the training process for all staff positions will be a two-month comprehensive assignment to another development managed by TSI or Niles to receive hands-on experience in the particular job capacity for which they have been hired.

Employment Goals (Interim Phase)

	<u>Admin*</u>	<u>Maint.</u>	<u>Custodial</u>	<u>Security</u>
Black--Resident	1	1	1	1
Non-Resident	2	1	1	1
White--Resident	-	-	1	1
Non-Resident	2	1	1	1
Hispanic--Resident	1	1	-	1
Non-Resident	1	-	1	1

*During the rent-up phase, some additional openings may occur for office personnel to process applications and conduct preliminary interviews. With the intensive training process described above, we would expect to hire additional administrative personnel on a one-to-one basis of resident vs. non-resident.

Employment Goals (Post-Rehab Phase)

	<u>Admin.</u>	<u>Maint.</u>	<u>Custodial</u>	<u>Security and Concierges</u>
Black--Resident	2	2	1	2
Non-Resident	4	1	1	3
White--Resident	2	1	1	1
Non-Resident	2	1	-	3
Hispanic--Resident	1	1	2	2
Non Resident	2	1	1	3

New Development Team Members

MILSTEIN PROPERTIES

Milstein Properties is a real estate development and management company owned and operated by the families of Paul and Seymour Milstein. Its principal place of business is in New York City. It has been active in development, construction and management of commercial and conventional multifamily residential housing for many years. Its residential portfolio includes:

Dorchester Apartments	700 moderate and luxury units
One Lincoln Plaza	700 moderate and luxury units (over 1,000,000 s.f. of residential and commercial floor area)
Thirty Lincoln Plaza	609 moderate and luxury units
The Biltmore Plaza (29th & Third Avenue)	279 moderate units
87th & Third Avenue	428 luxury and moderate units
1686 Third Avenue (95th & Third Avenue)	288 moderate units
Battery Park City (designated developer)	1,000 moderate and luxury units
Urban Renewal Sites 5C and 5B	600 units low and moderate income housing (20% self-subsidized)

Milstein Properties' commercial portfolio consists of the following:

The Roosevelt Hotel
(Madison at 46th)

The Milford Plaza Hotel
(Eighth Avenue at 44th)

The Bank of America Plaza
(Madison at 44th, formerly the Hotel Biltmore)

In addition, while Paul Milstein owned and operated National Kinney Corp., a real estate development company, National Kinney joint ventured with Starrett Housing Corporation to construct Starrett City, a new community in New York City containing 5,800 units of economically integrated low and moderate income housing.

Timko Contracting Corp. is a corporation owned solely by members of the Milstein Family. Timko has performed most of the residential developments built by Milstein family partnerships during the last ten years. The construction volume for this work exceeds \$80 million, \$67 million of which has been in the last three years.



BEAR, STEARNS & CO.

Bear, Stearns & Co. is a 60-year old investment banking partnership with over 3,000 employees, \$10,000,000,000 in assets, and over \$250,000,000 in capital. The financial statement of Bear, Stearns is attached.

The capital strength of Bear Stearns enables it to support its underwriting commitments and have a keen understanding of values and prices in the marketplace. Bear Stearns has a gross capital position in excess of \$250,000,000 placing Bear Stearns as one of the most strongly capitalized investment banking and brokerage firms in the industry, with an excess net capital position that ranks seventh among all investment banking firms. Bear Stearns is able to commit up to \$50,000,000 or more per issue, when required. Bear Stearns makes one of the largest number of secondary markets for municipal issues, and it continuously risks its capital in support of its primary and secondary market activities. Because Bear Stearns is a market maker for many seasoned issues, it can have a direct impact on the market's perception of revenue bonds and general obligation bond issues.

The growth of Bear Stearns in capital and in gross dollar volume of municipal financings managed or co-managed is illustrated below. This is genuine growth; the firm has not merged and does not intend to do so. It has been consistently profitable and has no need to merge to acquire capital or personnel. Bear Stearns has made a major commitment in personnel and capital to create an outstanding Public Finance Department. It has done so to assure the expert preparation for and marketing of required bond underwritings and to provide thorough and accurate financial advice to our clients.

Bear Stearns' Capital Position
1977-1982

	<u>Date</u>	<u>Equity Capital</u>	<u>Total Capitalization</u>
Calendar Year Ended:	12/31/82	\$190,000,000	\$250,000,000
Fiscal Year Ended:	4/30/82	133,000,000	150,550,000
	4/30/81	100,000,000	117,545,000
	4/30/80	60,000,000	75,965,000
	4/30/79	44,000,000	56,700,000
	4/30/78	36,000,000	44,000,000
	4/30/77	34,000,000	42,000,000

Bear Stearns has demonstrated its commitment and aggressive use of capital in municipal underwriting, documented by the Public Securities Association's statistics crediting Bear Stearns, for the five-year period 1977 through October of 1982, as a manager or co-manager for 535 municipal bond issues, totaling \$29,806,523,000. For 1981 Bear Stearns managed 91 issues, totaling \$5,582,008,000. For 1982 Bear Stearns managed 165 issues totaling \$10,576,944,000 a figure that represents approximately 14% of all municipal bonds sold last year and 90% more bonds than in 1981.

During 1981, Bear Stearns ranked seventh in competitive underwriting of tax-exempt bonds among all investment banking firms and commercial banks. Success in competitive underwriting demonstrates the willingness of the firm to commit its capital, the ability of the Municipal Bond Department to price aggressively to achieve the lowest net interest rate under existing market conditions, and Bear Stearns' overall growth and strength in managing and underwriting revenue bonds.

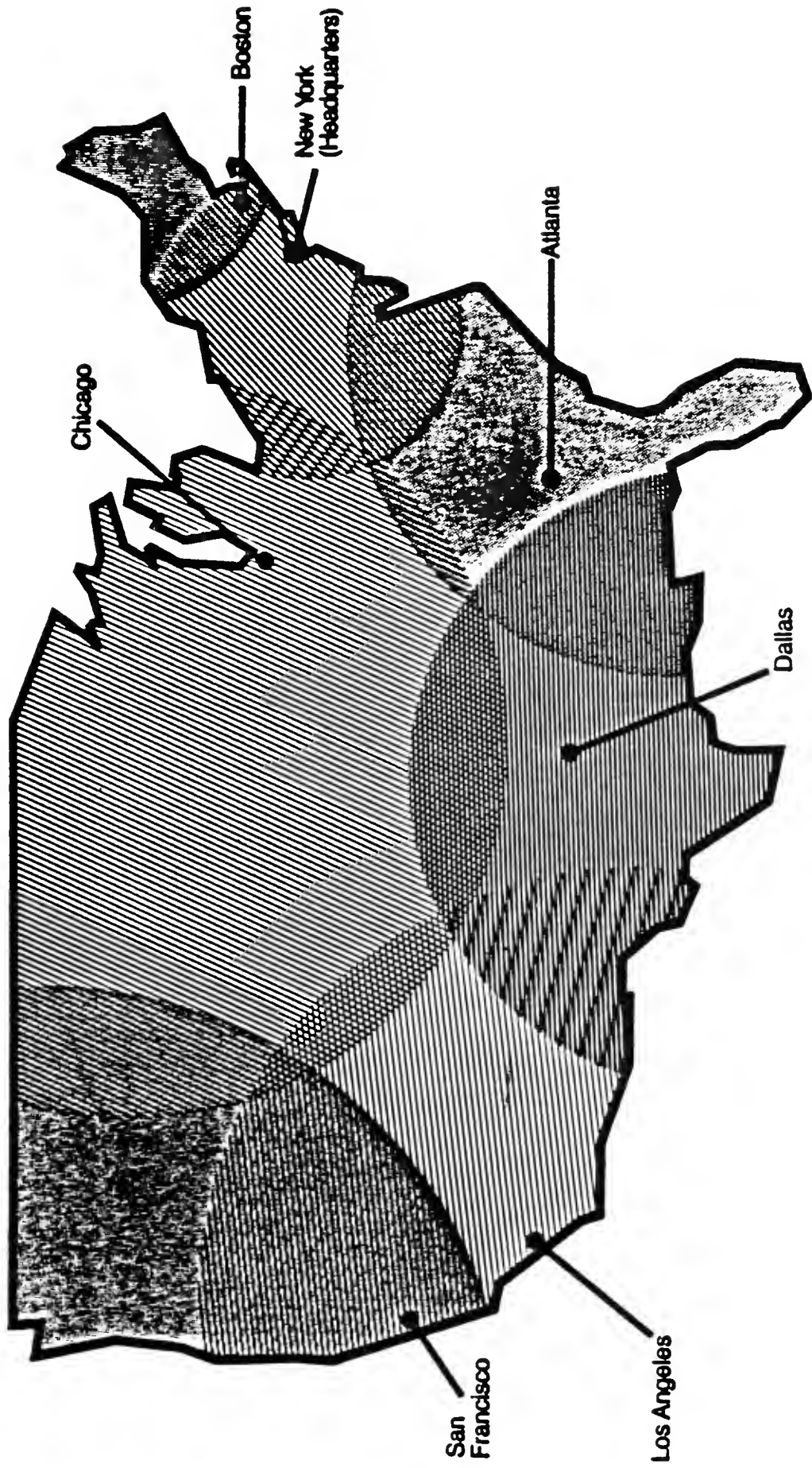
Financial Center Offices

Bear Stearns currently employs more than 700 retail account executives and 61 municipal institutional salesmen and traders, of which 26 are municipal traders and 35 are engaged in sales. Collectively, Bear Stearns has more than 800 registered representatives, ranking eleventh in the securities industry. Bear Stearns maintains Regional Offices (see map next page) in Boston, Los Angeles, San Francisco, Dallas, Atlanta and Chicago. Each Regional Office is a "microcosm" of the headquarters in New York, with full-service capabilities. Importantly, Bear Stearns' securities distribution network includes a correspondent and clearing system of over 200 regional firms that gives Bear Stearns additional salespower and broader coverage for our underwritings.

Bear Stearns' marketing strategy emphasizes a balanced approach to investors by identifying the major institutions, the medium institutions, and the significant retail and "mini" institutions as key target areas. This policy enhances our ability to market bonds on original issue and maintain active secondary markets for issuers by strengthening sales efforts with large and intermediate size institutional clients, and substantial individual investors.

Bear Stearns' goal as an investment banker and managing underwriter is to obtain for the borrower the lowest possible net interest cost commensurate with market conditions and consistent with the policy objectives of the borrower. Important in a marketing program designed to achieve this goal is Bear Stearns' ability to plan an effective national distribution of the bond issues. Bear Stearns has a history of solid achievement in this area because: (1) As a leading trading firm, we know the marketplace and are able to make timely and correct judgments on the pricing of new issues; (2) As a manager, we coordinate and structure sales through our own organization and through a large network of other underwriters.

Bear Stearns Regional Distribution Network



BEAR STEARNS

**Bear, Stearns & Co.
and Subsidiaries**

**Consolidated Statement of
Financial Condition**

October 29, 1982

Unaudited

**New York
Atlanta
Boston
Chicago
Dallas
Los Angeles
San Francisco
Amsterdam
Geneva
Hong Kong
London
Paris**

Bear, Stearns & Co. and Subsidiaries
Consolidated Statement of Financial Condition

October 29, 1982

Unaudited
(000's Omitted)

Assets		Liabilities and Capital	
Cash	\$ 13,119	Money borrowed (Note 2)	\$ 237,007
Cash and securities deposited with clearing organizations or segregated in compliance with federal regulations (market value of securities \$944)	77,145	Drafts payable	38,468
Securities purchased under agreements to resell (Note 1)	5,423,868	Securities sold under agreements to repurchase (Note 1)	3,533,548
Receivable from brokers, dealers and clearing organizations	975,048	Payable to brokers, dealers and clearing organizations	1,005,930
Receivable from customers	744,486	Payable to customers	827,844
Marketable securities and commodities owned—at market value (Note 1):		Marketable securities and commodities sold, but not yet purchased—at market value (Note 1):	
United States Government	2,671,099	United States Government	4,459,778
State and Municipal	83,473	State and Municipal	18,745
Other	768,329	Other	333,672
Exchange memberships—at market value	7,186	Accrued employee compensation and benefits	31,442
Furniture, equipment and leasehold improvements—at cost, less accumulated depreciation and amortization of \$12,008	21,363	Other liabilities, accrued expenses and reserves (Note 1)	<u>161,478</u>
Other assets	<u>45,621</u>		10,647,912
TOTAL ASSETS	<u>\$10,830,737</u>	Commitments and Contingencies (Note 3)	
		Senior Subordinated Notes (Note 4)	12,500
		Other Subordinated Notes (Note 4)	325
		Capital	<u>170,000</u>
		TOTAL LIABILITIES AND CAPITAL	<u>\$10,830,737</u>

The accompanying notes are an integral part of this statement.

Notes to Consolidated Statement of Financial Condition

1. SIGNIFICANT ACCOUNTING POLICIES: The consolidated financial statement includes the accounts of Bear, Stearns & Co. and its subsidiaries. All material intercompany transactions and balances have been eliminated.

Purchases and sales of securities, commodities and options with related revenues and expenses are recorded on a settlement date basis.

Marketable securities, commodities and options owned or sold short are stated at quoted market values with unrealized gains and losses reflected in capital.

Financing transactions involving purchases of securities under agreements to resell or sales of securities under agreements to repurchase are included in the financial statement at their contracted resale or repurchase amounts plus accrued interest.

Capital withdrawals anticipated within the next six months and estimated partners' personal income taxes on all realized and unrealized partnership profits are recorded as a liability of the Company.

2. MONEY BORROWED: Money borrowed is collateralized primarily by securities owned by the Company, by securities purchased by customers on margin, or by securities awaiting delivery on uncompleted transactions.

3. COMMITMENTS AND CONTINGENCIES: The Company occupies office space under non-cancellable leases expiring at various dates through 1996. Future minimum annual rentals payable under these leases for the fiscal years ended 1983 through 1987 are approximately \$6,200,000 per year and for the fiscal years ended 1988 through 1996 are approximately \$26,000,000 in total.

The Company used letters of credit to satisfy collateral requirements of \$346,484,000.

In the normal course of its business, the Company has been named as a defendant in several lawsuits which seek substantial damages. It is the opinion of management, after consultation with outside counsel, that such actions will not have a material adverse effect on the capital of the Company.

The Company has segregated \$275,000,000 in securities to meet reserve requirements under Rule 15c3-3 of the Securities and Exchange Commission.

4. LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS: Subordinated Liabilities at October 29, 1982 mature as follows:

	Senior Subordinated Notes	Other Subordinated Notes	Total
1983-1994(A)	\$11,500,000		\$11,500,000
1985-1988(B)	1,000,000		1,000,000
1988-1996(C)		\$ 325,000	325,000
	\$12,500,000	\$ 325,000	\$12,825,000

A. The Senior Subordinated Note bears interest at 10¼% per annum and requires semi-annual principal payments of \$500,000 each March 1 and September 1. The Note is available to the Company in computing its net capital under Rule 15c3-1. The loan agreement contains restrictive covenants which, among other provisions, specify minimum levels of net capital and net worth. As of October 29, 1982, the Company was in compliance with the above covenants.

B. The Company has an agreement with two banks whereby it can borrow up to \$25,000,000 under the terms of a senior subordination agreement which will be available to the Company in computing net capital. As of October 29, 1982, the Company had borrowed \$1,000,000 under this agreement.

C. Other Subordinated Notes include \$325,000 available to the Company in computing net capital.

5. NET CAPITAL REQUIREMENT: As registered broker-dealers and members of the New York Stock Exchange, Inc., Bear, Stearns & Co. and certain of its subsidiaries are subject to the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Commission. Bear, Stearns & Co. and certain subsidiaries compute their net capital on a consolidated basis under the alternative method permitted by the Rule which requires that minimum net capital be the greater of \$300,000 or 2% of aggregate debit items arising from customer transactions. At October 29, 1982 Bear, Stearns & Co. and its subsidiaries had consolidated net capital of \$157,455,000 which exceeded requirements by \$140,867,000.

**Bear, Stearns & Co. and Subsidiaries
Consolidated Statement of Financial Condition**

April 30, 1982

**New York
Atlanta
Boston
Chicago
Dallas
Los Angeles
San Francisco
Amsterdam
Geneva
Hong Kong
London
Paris**

Members

New York Stock Exchange, Inc.
American Stock Exchange, Inc.
Boston Stock Exchange, Inc.
Midwest Stock Exchange, Inc.
Pacific Stock Exchange, Incorporated
Philadelphia Stock Exchange, Inc.
Chicago Board of Trade
Chicago Mercantile Exchange
Coffee, Sugar & Cocoa Exchange, Inc.
Commodity Exchange, Inc.
New York Cotton Exchange
New York Mercantile Exchange
International Monetary Market
The Chicago Board Options Exchange
N.Y. Futures Exchange

Bear, Stearns & Co. and Subsidiaries
Consolidated Statement of Financial Condition

April 30, 1982

(000's Omitted)

Assets

Cash and cash equivalent	\$ 186,420
Cash and securities deposited with clearing organizations or segregated in compliance with Federal regulations (market value of securities \$16,078)	71,151
Securities purchased under agreements to resell (Note 1)	2,116,849
Receivable from brokers, dealers and clearing organizations	662,126
Receivable from customers	562,694
Marketable securities and commodities owned—at market value (Note 1):	
United States Government	2,951,904
State and Municipal	27,641
Other	404,556
Exchange memberships—at market value	6,742
Furniture, equipment and leasehold improvements—at cost, less accumulated depreciation and amortization of \$9,722	18,758
Other assets	<u>24,022</u>
TOTAL ASSETS	<u><u>\$7,032,863</u></u>

The accompanying notes are

Liabilities and Capital

Money borrowed (Note 2)	\$ 242,596
Drafts payable	30,574
Securities sold under agreements to repurchase (Note 1)	3,419,264
Payable to brokers, dealers and clearing organizations	663,265
Payable to customers	695,462
Marketable securities and commodities sold, but not yet purchased – at market value (Note 1):	
United States Government	1,513,309
State and Municipal	6,583
Other	138,870
Accrued employee compensation and benefits	35,433
Other liabilities, accrued expenses and reserves (Note 1)	<u>136,957</u>
	6,882,313
 Commitments and Contingencies (Note 3)	
Senior Subordinated Notes (Note 4)	13,000
Other Subordinated Notes (Note 4)	4,550
Capital	<u>133,000</u>
 TOTAL LIABILITIES AND CAPITAL	<u><u>\$7,032,863</u></u>

integral part of this statement.

Notes to Consolidated Statement of Financial Condition

1. SIGNIFICANT ACCOUNTING POLICIES: The consolidated financial statement includes the accounts of Bear, Stearns & Co. and its subsidiaries. All material intercompany transactions and balances have been eliminated.

Purchases and sales of securities, commodities and options with related revenues and expenses are recorded on a settlement date basis.

Marketable securities, commodities and options owned or sold short are stated at quoted market values with unrealized gains and losses reflected in capital.

Financing transactions involving purchases of securities under agreements to resell or sales of securities under agreements to repurchase are included in the financial statement at their contracted resale or repurchase amounts plus accrued interest.

Capital withdrawals anticipated within the next six months and estimated partners' personal income taxes on all realized and unrealized partnership profits are recorded as a liability of the Company.

2. MONEY BORROWED: Money borrowed is collateralized primarily by securities owned by the Company, by securities purchased by customers on margin, or by securities awaiting delivery on uncompleted transactions.

3. COMMITMENTS AND CONTINGENCIES: The Company occupies office space under non-cancellable leases expiring at various dates through 1996. Future minimum annual rentals payable under these leases for the fiscal years ended 1983 through 1987 are approximately \$6,200,000 per year and for the fiscal years ended 1988 through 1996 are approximately \$26,000,000 in total.

The Company used unsecured letters of credit to satisfy margin and other requirements of \$52,209,000.

In the normal course of its business, the Company has been named as a defendant in several lawsuits which seek substantial damages. It is the opinion of management, after consultation with outside counsel, that such actions will not have a material adverse effect on the capital of the Company.

The Company has segregated \$112,544,000 in securities to meet reserve requirements under Rule 15c3-3 of the Securities and Exchange Commission.

4. LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS:

Subordinated Liabilities at April 30, 1982 mature as follows:

	Senior Subordinated Notes	Other Subordinated Notes	Total
1982-1994(A)	\$12,000,000		\$12,000,000
1985-1988(B)	1,000,000		1,000,000
1982-1996(C)		\$ 4,550,000	4,550,000
	\$13,000,000	\$ 4,550,000	\$17,550,000

A. The Senior Subordinated Note bears interest at 10¾% per annum and requires semi-annual principal payments of \$500,000 each March 1 and September 1, beginning September 1, 1982. The Note is available to the Company in computing its net capital under Rule 15c3-1. The loan agreement contains restrictive covenants which, among other provisions, specify minimum levels of net capital and net worth. As of April 30, 1982, the Company was in compliance with the above covenants.

B. The Company has an agreement with two banks whereby it can borrow up to \$25,000,000 under the terms of a senior subordination agreement which will be available to the Company in computing net capital. As of April 30, 1982, the Company had borrowed \$1,000,000 under this agreement.

C. Other Subordinated Notes include \$1,300,000 available to the Company in computing net capital and \$3,250,000 which is subordinated to the claims of general creditors of a subsidiary and not includable in the Company's net capital.

5. NET CAPITAL REQUIREMENT: As registered broker-dealers and members of the New York Stock Exchange, Inc., Bear, Stearns & Co. and certain of its subsidiaries are subject to the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Commission. Bear, Stearns & Co. and certain subsidiaries compute their net capital on a consolidated basis under the alternative method permitted by the Rule which requires that minimum net capital be the greater of \$300,000 or 4% of aggregate debit items arising from customer transactions. At April 30, 1982 Bear, Stearns & Co. and its subsidiaries had consolidated net capital of \$157,958,000 which exceeded requirements by \$135,221,000.

ACCOUNTANTS' REPORT

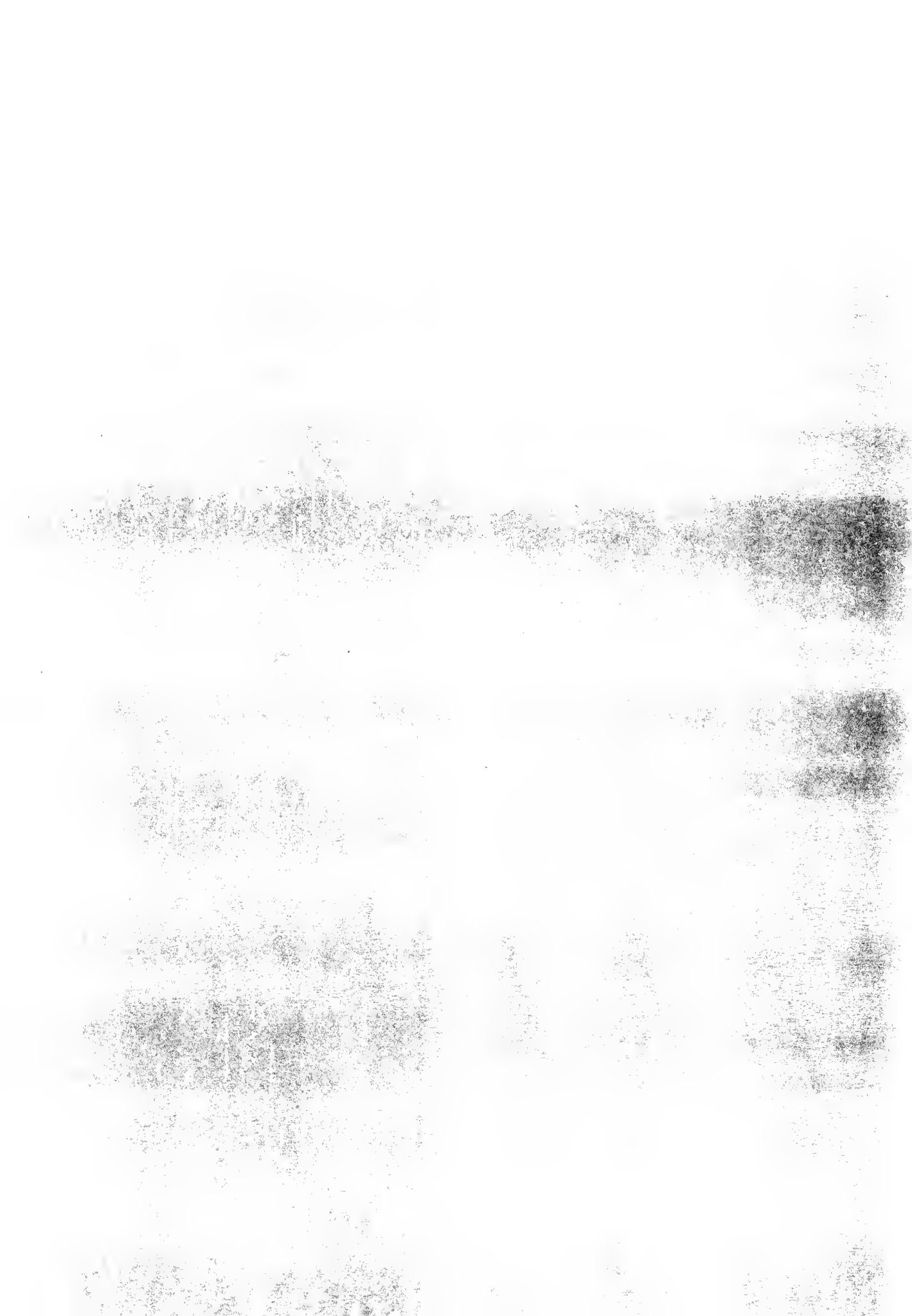
To the Partners of
Bear, Stearns & Co.

We have examined the consolidated statement of financial condition of Bear, Stearns & Co. and Subsidiaries as of April 30, 1982. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statement referred to above presents fairly the consolidated financial position of Bear, Stearns & Co. and Subsidiaries as of April 30, 1982, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Oppenheim, Appel, Dixon & Co.
Certified Public Accountants

New York, New York
June 18, 1982



SHAWMUT CORPORATION

Shawmut is one of the oldest and best known banking names in the United States. With assets in excess of \$5 billion, we are presently the second largest bank holding company in New England with major commitments to consumer services and corporate banking business as well as to an active role in international markets. The Bank is a major participant in the sale of government securities as well as national and regional issues of municipal notes and bonds.

Formed as the Warren Bank in 1836, the Shawmut name was adopted a year later, and a federal charter applied for in 1864. The holding company was formed in 1964, growing out of a business relationship with several suburban banks who participated with us in a business trust.

Shawmut Corporation, renamed in 1975, presently consists of thirteen banking affiliates in Massachusetts, including the Shawmut Bank of Boston, N.A. Providing international exposure, Atlantic Capital Limited of Hong Kong, Atlantic International Bank Limited of London and Shawmut Bank International Banking Corporation, headquartered in Miami, specialize in short to intermediate term lending in the Far East, Europe and Latin America, respectively. We maintain highly active personal and corporate trust services and real estate operations. Shawmut has a strong involvement in community activities not only through its business objectives, but also as a sponsor of many public benefit projects and charitable efforts.

Shawmut Corporation affiliated with the Worcester Bancorp., Inc. in 1982. This merger considerably broadened our markets and increased our total assets by approximately \$1 billion.

MUNICIPAL BOND DEPARTMENT - UNDERWRITING & TRADING

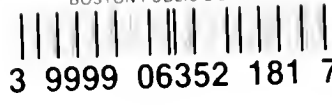
The Municipal Bond Department of Shawmut Bank, N.A. is responsible for the underwriting of new municipal bond and note issues via negotiated and competitive sale and for maintaining a broad secondary market in the national and New England tax-exempt markets.

The department was officially organized in 1961 to participate in New England underwriting and trading activities and to provide needed investment services

for Shawmut's depositors and other clients. The need for an expanded product mix soon broadened its activities to include underwriting and trading of general and national market bond and note issues. Opportunity and the growing need for both expanded service to bank clients and additional investment outlets for the broader product, created the need for a formal distribution and service capability for which sales personnel were added at both institutional and individual levels. Department staffing presently includes separate responsibility for New England underwriting and trading, similar general market commitments, and for short-term notes in both sectors.

In New England we act as senior or co-manager on virtually all competitive bond and note sales, and nationally, we participate as a major underwriter in most issues. This exposure gives us the capability and experience to develop proper strategy to carry out successful marketing efforts. We maintain close relationships with most dealers and dealer banks in order to stay abreast of the myriad factors impacting on the markets.

BOSTON PUBLIC LIBRARY



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